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NEWS SUMMARY

GENERAL

U.S. air traffic solidarity appeal

America's striking air traffic controllers have called on other U.S. trade unions to rally to their support. The International Federation of Air Traffic Controllers' Association urged its members to withhold clearance for aircraft flying into the U.S. because of doubts on safety. The UK's Civil Aviation Authority union chairman warned British passengers against flying to the U.S. British air traffic controllers are to meet next week to decide whether to support U.S. colleagues. Back Page

FT 'will publish'

Financial Times chairman Mr Alan Hare said the management would publish "by any means we can" if NGA print workers went on strike from September 4. Page 3

Nightclub brawl

Fifteen people were injured, four seriously, after a brawl at Tiffany's nightclub in Gloucester. There were 41 arrests.

Pensioner saved

Police used an extinguisher to put out flames that caught a Belfast pensioner's legs after a petrol bomb aimed at an RUC Landrover hit her. Atkins throws out Maze initiative. Page 3

BBC cuts protest

New Zealanders have written more than 7,000 letters and drawn up 96 petitions in protest at plans to cut the BBC Radio transcription service.

Iran executions

Thirty-eight people were sent to the firing squads in Iran in one of the biggest mass executions in recent months. Police chief quits. Page 2

Doctors strike

Puerto Rico's 13,000 doctors started an indefinite strike to back demands for more pay and free treatment for the poor.

Mongol ruling

Two appeal court judges overruled the considered decision of a badly handicapped baby mongol's parents to refuse to allow her to have an operation without which she would die.

Letters theft

Letters from Liszt, Wagner, Casals and other musicians were stolen from the showrooms of Vienna's most famous piano company.

Diamond find

Two small diamonds were found near Sundsvall, Sweden, the first in Europe.

Bee hazard

Police in a holiday area of southern France are hunting vandals who overturned 800 hives, releasing 25m bees.

Snake sit-in

John Barry started a snake sit-in record bid. He hopes to spend 70 days with 24 poisonous reptiles at Dudley Zoo.

Peak condition

Twenty U.S. climbers, including doctors and scientists, have set off to climb Mount Everest. They intend to carry out medical tests when they get to the top.

12 years ahead

A Post Office raider who smashed a glass partition with his head to grab £16,800 in south-east London was jailed for 12 years.

Briefly...

Washington Star published its last edition after 128 years. Metro suicides in Paris rose to 42 in 1980, compared with 27 in 1979. First tea blend consignment from Sri Lanka left for London.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES	FALLS
Avana 275 + 7	Ofrex 175 + 11
Barclays Bank 457 + 7	Peterson Zochow 120 + 10
Bargat 230 + 12	Plym 103 + 4
Elys (Wimbledon) 260 + 15	Rank Org 160 + 7
Eng China Clays 140 + 4	Ratcliff (G.B.) 70 + 7
Ferguson Ind. 82 + 8	Thorn EMI 478 + 14
GE 70 + 10	Unilever 582 + 17
Grant Brothers 118 + 5	Vickers 173 + 3
Gratnerman Stores 636 + 25	Walsby 380 + 5
Hoover 112 + 5	Wal Recs 234 + 11
Horizon Travel 270 + 8	Western Hides 230 + 11
Ladbrokes 160 + 4	
Mercantile New 175p + 17	Conder Intl 112 - 14
Mint 183 + 5	Longton Ind. 43 - 4
Nichols (Vimto) 240 + 10	Moss Bros 148 - 7
	Smith 2 - 2
	Taylor Woodrow 555 - 10

BA must reorganise finances before share sales, chairman says

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS' capital structure must be reorganised before any sale of shares to private investors, Sir John King, the group chairman, said. Sir John reported a pre-tax loss for the airline of £11m in the year to March 31, against a £20m profit the previous year. The airline is considering seeking an increase in its £1bn borrowing limit, of which £800m has been used. Other measures include:

- A review of money-losing routes, in particular to Eastern Europe, Africa and France.
- A reduction of staff from the present 52,500 to 43,000 over two years.
- Continued sales of unwanted assets, including older, noisy and uneconomical aircraft.

Sir John refused to say whether the reorganisation of the "ghostly" capital structure would be accomplished, but said that overheads were too high and the debt-equity ratio had worsened.

BRITISH AIRWAYS' RESULTS COMPARED

	Historic cost 1979/80	Historic cost 1978/79	Current cost 1980/81	Current cost 1979/80
Turnover	2,061	1,920	2,061	1,920
Operating deficit	95	291		
Loss before cost of capital borrowings and tax	70	551		
Current cost operating loss	141	201	147	51
Loss before tax	145	111	186	22
Loss after tax	1,043	880	1,516	1,285
Return on net assets	-6.7	6.3	-9.7	0.4
Profit				

Nor is the prospect for the current year any brighter. "I would have been comforted by the thought that the worst was behind us," said Sir John. "There is no certainty that this is so."

The air traffic controllers' dispute in April-July this year had already cost the airline some £80m in lost operating profit, while the underlying depression in the market remained.

The airline attributes its heavy operating loss last year, which will be met from reserves, to a variety of factors, including the strength of sterling, which reduced the value of overseas assets.

Way BA nosedived into the red. Page 12

1m Poles hold four-hour strike

EXCLUSIVE COLT IN WARSAW

NEARLY a million coal miners have been invited to the meeting but are thought unlikely to accept. The commission is expected to vote on whether to call a national strike later this month, which would probably provoke a strong Government reaction.

The union's Gdansk region has already declared a warning strike for August 17. This would come just days after the anniversary of last year's strike that led to the formation of Solidarity.

The union and the Government accused each other of causing the breakdown in the crucial negotiations concerning food shortages. Nevertheless the talks produced several concessions to the union before ending in mutual recrimination.

The negotiations between Mr Lech Walesa, the Solidarity leader, and Mr Mieczyslaw Rakowski, the Deputy Prime Minister, reached some agreements which would have been considered a success only a short while ago. The union was told it would be given a 30 minute programme each week on radio and television as well as increased paper supplies for the Solidarity weekly newspaper.

On the key issue of workers' co-management, the Government said there were no barriers to it—but that the question of elected managers would have to depend on the type of enterprise. Factories producing military equipment, for example, could not have co-management.

Solidarity said a draft communiqué drawn up by both sides was altered by the Government in such a way that it appeared as if Solidarity was in accord with nearly all Government proposals. However, the union did not persuade the Government to increase meat rations. A key issue at a time when Polish workers are engaged in a daily battle to obtain even a portion of the meat and sausage ration which totals 61g in this month. Solidarity also wants to monitor food production and distribution, especially meat, which the Government says is virtually non-existent.

Solidarity media hits out at Solidarity. Page 2

Sixth round in battle for Ofrex

BY REG VAUGHAN

THE LONG and intense battle for Ofrex Group entered its sixth round yesterday, and almost at once the sixth round began as the two contenders again fought for dominance.

Gallagher, the tobacco group owned by American Brands of the U.S., re-opened the contest yesterday with its second increased bid in only two days. This valued the London-based office supplies and industrial products group at nearly £35m.

Gallagher, which makes Benson and Hedges, Silk Cut and Old Blend, put a further 5p on its offer, taking it up to 175p and topping by 15p the rival offer from Dennison Manufacturing.

The bells had hardly stopped ringing on this—the fifth attempt in two weeks—when the Delaware-stationary product manufacturer responded that it was considering a revised offer for Ofrex.

Dennison, which launched its original onslaught worth £25.8m on July 24, had earlier this week again secured the blessing of the Ofrex board for its 160p offer, which matched Gallagher's opening shot.

The Dennison seems to be winning on points at the moment. It has a holding of 27.7 per cent in Ofrex which it purchased through the market. It has also irrevocable commitments from certain shareholders to accept its offer, including Mr George Drexler the chairman, in respect of a further 15.6 per cent of the shares.

The share price responded with a jump of 11p to the bid price of 175p on the London Stock Market yesterday. Earlier in the day Gallagher picked up 1.96 per cent of the Ofrex shares in the market at 170p and it plans to compensate the sellers for the difference. Gallagher intends to stay in the market.

Earlier in the week, when the two contenders had matched offers on the table, Ofrex came out in favour of the Dennison bid because of fears that a takeover by Gallagher might result in U.S. anti-trust action.

An American Brands subsidiary, Swingline, supplies about 70 per cent of the U.S. stapler market and Ofrex would add slightly to its U.S. market share as well as giving it a dominant position in Britain.

Gallagher has said that it had been advised that there are no anti-trust problems over its bid for Ofrex.

Lex. Back Page

Wide reforms for State industries control approved

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

MINISTERS HAVE given the go-ahead for wide-ranging reforms in relationships between the Government and nationalised industries.

This is in line with proposals by the Central Policy Review Staff, the Downing Street "Think Tank."

But a key proposal to draft businessmen into Whitehall departments to help monitor the industries has been resisted strongly by several Ministers and senior civil servants, and is opposed by some nationalised industry chairmen.

The Think Tank proposed that a "business group" be set up in each Government Department responsible for nationalised industries, to give Whitehall "a better understanding of business."

They would be staffed by civil servants and senior businessmen recruited from industry.

But the Prime Minister was told when Ministers approved the rest of the proposals on Tuesday that such a radical proposal would interfere with the close control needed between the industries' chairmen and their individual Ministers and chief civil servants.

It would also involve an element of "second-guessing" which would be resented by the industries.

As a result Mrs Thatcher has given Whitehall Departments until September 18 to prepare alternative plans for her which would strengthen and augment their civil servants' expertise.

She has said that they must be capable of rapid and effective implementation in line with the spirit of the Think Tank report.

The Prime Minister is personally committed to seeing the report implemented before the winter.

She ordered it in the spring, and this week she secured the ministerial approval of most of the main items to be given before the holidays.

One proposal approved involves creation of a small ministerial committee, under the chairmanship of the Prime Minister. It will decide Government policy covering all the industries, set objectives, and monitor performance against targets.

This will replace a more diffuse layer of authority which has included individual Government Departments, the Treasury, and the Cabinet's Pay and Pensions Committee.

The Think Tank is to be given a permanent role because it will provide the backup service for the ministerial committee through a small staff group in the Cabinet Office.

This group will be staffed both by civil servants and people with business experience. It will be briefed to work closely with the Treasury, whose central role in nationalised industry policy-making will presumably be diminished if the plan works as the Think Tank intends.

Ministers have agreed that boards of nationalised industries be gradually changed to be smaller and comprise more non-executive than executive directors.

By accepting most of the report Ministers have tacitly backed a proposal that salaries be raised to match private sector "market" rates.

French play down Iran warning

BY DAVID WHITE IN PARIS

THE FRENCH Government was cautiously confident yesterday that the Tehran authorities would allow French citizens to leave Iran next week, according to a timetable worked out on Thursday.

M. Claude Cheysson, the French Foreign Minister, said "a process was under way" whereby French citizens should fly out on two scheduled flights on Monday and Wednesday. According to his Ministry, 116 French citizens wish to leave Iran.

Officials in Paris, as well as other Western capitals, played down an implicit warning by a mullah in the holy city of Com. He said the French embassy might suffer the same fate as that of the U.S. in November 1979 if the former President, Mr Abolhassan Bani-Sadr, and Mr. Massoud Rajavi, the leader of the Mojahedin-Khalq underground opposition, were not extradited from France and returned for trial in Iran.

At a religious centre of Com. Addressing 300 Muslims in a sermon he said: "If you do not agree to extradite these terrorists to Iran, in the same way that the Iranian nation stood up to America with clenched fists and the call of 'God is Great' and crushed America's snout in the dust, (the Iranian nation) will do the same to you."

His statement was far from an official one. Even so, the danger of hostages being taken by zealots cannot be discounted.

A formal demand for the extradition of Mr Bani-Sadr and Mr Rajavi has been handed to the French Embassy in Tehran but has not yet reached the Quai d'Orsay.

France is doing its utmost to defuse the crisis with Iran. The Iranian military transport aircraft in which the deposed Iranian President and guerrilla leader escaped to France on July 29, provoking the present crisis, was allowed yesterday to take off from Evreux air base in Normandy on its way back to Tehran.

One man was shot and seriously wounded and another was injured when U.S. police elected anti-government demonstrators from the Iranian Interests section of the Algerian Embassy in Washington. It was not clear who was responsible for the shooting.

Ministers may share roles on inner cities

BY ELINOR GOODMAN

CABINET MINISTERS may be given additional responsibilities for Britain's regions as part of the Government's response to inner city deprivation.

Mr Michael Heseltine, the Environment Secretary, is believed to have told the Prime Minister that rather than appointing a minister for the inner cities, it might be better to divide the responsibilities for contributions between five members of the Cabinet. One Secretary of State would be responsible, for say, London, and another for Merseyside, in much the same way as Lord Hailsham was responsible for the North East in the 1960s.


The idea was put forward by Mr Heseltine when he reported to Mrs Thatcher on Thursday after his two and a-half week fact-finding visit to Liverpool.

Continued on Back Page

£ in New York

	Aug. 6	Previous
Spot	\$1.0020	\$0.9950
3 months	0.82 0.80 pm	0.75 0.80 pm
6 months	2.20 2.30 pm	2.15 2.25 pm
12 months	6.55 6.45 pm	6.25 6.45 pm

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OVERSEAS NEWS

Top Brazilian aide quits in surprise move

BY ANDREW WHITLEY IN RIO DE JANEIRO

THE SURPRISE announcement that General Golbery do Couto e Silva has resigned from his post as head of the President's Civil Household has rekindled fears about Brazil's political future.

The motives and timing of General Golbery's resignation remained obscure yesterday. But the move reflected the

one of the best kept secrets in the capital.

The formal letter of resignation, reportedly citing health reasons, was sent Monday while the public announcement came only late on Thursday.

It has been known for some time that General Golbery, the "Emineence grise" of the military-backed government, was not well.

But with important national elections for the Congress and State Governors coming up next year, few observers believe that health was the main reason for his decision.

General Golbery, dubbed in accurately as a hard-liner because of his role in the 1964 coup, is known to have been disturbed by the regime's failure to carry out a thorough inquiry into a bungled bomb attack in Rio last April. It was believed to have been the work of dissident military elements.

Since then, despite repeated statements by the President that the political liberalisation programme was still on course, the long awaited electoral reform package which would restore more powers to "Brazilian" elected representatives has failed to materialise.

Apart from Sr Beltrão, the Minister for Decentralisation, is to take over temporarily. But he is unlikely to carry the weight of his predecessor who for seven years had been President Joao Figueiredo's chief political advisor on domestic affairs.

Presidential aides said yesterday that the President knew his colleague wanted to resign three weeks ago. If so, it was

White man to head forces in Zimbabwe

MR ROBERT MUGABE, the Zimbabwe Prime Minister, yesterday appointed a white career soldier, General Sandy Maclean, as supreme commander of the country's defence forces, ahead of the man who commanded his own guerrilla forces during Rhodesian civil war.

The move emphasises Mr Mugabe's commitment to appointment on merit. But it is likely to be an unpopular move with the country's black majority.

Gen Maclean, promoted from his previous rank of Lieutenant-General, and from his position of army commander, becomes head of combined operations, which includes the air force and police. He succeeds Lt-Gen Peter Walls, who was sacked from the job 13 months ago because of his reported remarks about the likelihood of a military coup in Zimbabwe after Mr Mugabe's election victory last year.

Gen Maclean's appointment to such a crucial position, in charge of the amalgamated guerrilla armies of Mr Mugabe and Mr Joshua Nkomo, as well as the former Rhodesian security forces, is bound to be controversial. He has been appointed over the head of Lt-Gen Rex Nkhomo, the commander of Mr Mugabe's Zanu guerrillas.

Mr Mugabe's supporters may also be upset by the promotion to deputy commander of the army of Lt-Gen Look-out Masuku, former military commander of Mr Nkomo's Zippa guerrillas. Although Mr Nkomo is a member of the government, there is continuing rivalry between his supporters and those of the Prime Minister.

These appointments end the 16-month period in which a joint-military command of soldiers, airmen, policemen and politicians has controlled the defence forces.

They mean that whites are in top positions in the air force and police as well as in the combined operations or military supreme role held by General Maclean.

But white political control clearly rests with Mr Mugabe who is also Minister of Defence, and his assistant Mr Emmerson Mnangagwa, Minister of State in the Prime Minister's office with responsibility for State Security.

A three-day strike by 300 contract workers at Wankie Coalfields in north-west Zimbabwe ended yesterday.

Britain attacks South Africa over Angola

By David Tonge

BRITAIN yesterday attacked South African policies towards Angola and Mozambique, saying they threatened to involve the Soviet Union and Cuba more deeply in the area. It also urged South Africa not to allow relations with the Zimbabwe government to deteriorate.

The attack reflects British concern about the real danger of the cross border raids escalating into full war in Southern Africa, according to British officials.

The criticism was delivered yesterday by Sir Ian Gilmore, the Lord Privy Seal, who is acting as Foreign Secretary, to Mr Marais Steyn, the South African Ambassador. It is the toughest high-level criticism of South Africa in recent months and follows Angolan accusations that South African forces had invaded Southern Angola early last month.

Mr Steyn had called on Sir Ian to complain about a recent television programme alleging atrocities by South African troops against civilians in Angola. Sir Ian reminded the Ambassador that the Government had no control over such programmes.

Referring to the escalation of fighting in recent weeks, he said this was a "new zone" in Angola to turn to the Soviet Union and Cuba for more military assistance.

Sir Ian also criticised the guerrillas of Swapo, the Namibian independence movement which has bases in Southern Africa, for their part in the violence.

Arrests fail to deter E. German spies

BY ROGER SOYES IN BONN

EAST GERMAN spies are still trying to penetrate crucial sectors of West German industry, in spite of the arrest of a number of agents.

The main industries of interest are electronics, armaments and aerospace concerns, though the research and development divisions of a broad range of West German companies are also high on the East German espionage list.

This emerges from the annual report of the West German counter-intelligence service, Bundesverfassungsschutz (BVS), released yesterday, which says that 33 people were arrested last year for espionage, 27 of whom worked for the East Germans.

The East Germans are also the most active of all the Warsaw Pact countries in try-

ing to recruit West Germans as political or economic agents. Of all the approaches recorded last year 71 were made by the East German intelligence service.

In contrast to 1979, political espionage seems to have played a larger role last year than economic or industrial spying. To some degree this stems from the special circumstances of 1980—an election year—but it also reflects the effect of testimony from a defector which resulted in the winding-up of a number of economic espionage rings.

Even so, the report stresses, the role of East German economic spying is expanding. Four out of the 15 sections in the main East German intelligence branch, the Ministry for State

Security, are now devoted to gathering economic intelligence.

East Germany's attempts to modernise its economy have led to increased interest in electronics.

The principal focus is on micro-electronics, electronic data processing, new computer hardware and software including source codes.

On a normal business level, East Germany is improving its contacts with countries such as Japan to learn about robot and micro-processor technology.

Other approaches are made at the Leipzig industrial fair or during holiday visits to East European countries.

The East German defector, Herr Werner Stiller, once a lieutenant colonel at the Ministry for State Security, estimates that East Germany saves at least D 2300m (266m) a year in research and development costs through its espionage activities.

Apart from industrial innovation, East German economic espionage is motivated by the need for information on defence related companies (especially aerospace) and the need too for data on the general state of West German markets and companies' investment plans.

Soviet media hit out at Solidarity

BY DAVID SATTER IN MOSCOW

THE SOVIET Communist Party newspaper Pravda yesterday quoted two Polish Communists as saying that extremists in the Solidarity trade union were leading Poland "to the abyss."

In a report from Warsaw, the newspaper said the recent strikes were being used deliberately by extremists in Solidarity to increase tension and frustrate the Polish Government.

Pravda quoted two Communists at a Warsaw telephone factory as saying that "a sharp political struggle" was taking place in the country and it was too soon to say that the danger had passed.

The Soviet media frequently quote views with which they sympathise. The two workers were quoted as saying it was now essential to concentrate all

energies on the struggle against the conception of "dual authority" and the opposition activities which constituted a threat to the sovereignty and independence of Poland.

In an implicit criticism of the Polish Communist Party, Pravda quoted Mr Blonka as saying that it would have been desirable if its programme, which was adopted at last month's party congress, had been more concrete.

Communists will have to intensify efforts against their opposition and "much depends on how this programme is translated into the language of concrete deeds, at work places, on the shop floors, in the party organisations. The matter is not simple," Pravda quoted Mr Blonka as saying.

The Pravda report followed another on Thursday by the Soviet news agency Tass, which also indicated Soviet disapproval over the continuing unrest in Poland. The headline Polish military newspaper, Zolnierz Wolnosci, said that elements in Solidarity sought a position above the law and were preparing to seize power behind the backs of millions of Solidarity members, Pravda reported.

Tass quoted the Polish newspaper as saying that Solidarity had staged street demonstrations in order to thwart the Government's attempts to restore order. The newspaper warned that all forces would be used, if necessary, in the struggle to defend Socialism, Tass said.

Irish oil prospects dampened

Irish hopes of becoming an important oil producer have again been dampened with the announcement that British Petroleum has plugged and abandoned an exploration well on block 50/12 in the North Celtic Sea, writes our Energy Editor. Results of the well were disappointing even though BP encountered oil and gas shows.

As a result of drilling the well, BP and its partners Aran Energy and Sula Oil have earned a 30 per cent stake in the block from the original licensees, Marathon Oil.

Italy's budget deficit reached 121,000bn (23.3bn) in the first half of this year, more than double the figure for the same time in 1980. The Government is cutting spending to avoid exceeding its budget by 13,500bn, AP—DJ reports from Rome.

Even on budgetary policy, where the National Assembly has wide responsibilities and cannot be disregarded, Deputies were on one famous occasion simply overruled. This was in late 1979, when implacable opposition from the Gaullist side of the Government coalition was put down by the use (or what most people regarded as the misuse) of a majority vote.

By contrast, Mitterrand can afford to allow the Assembly full role for the time being at least. His Socialist Party, potentially very broad church, potentially schismatic with its eclectic combination of Keynesian pragmatists, neo-Marxists and ex-Gaullists sympathisers. But none of its factions is going to march off just yet in the opposite direction to the man who won the election for it. He has an Assembly perfectly modelled for the heavy legislative programme that he has in hand. The new President is determined to strengthen the role of Parliament. This attitude is a fundamental part of his own political make-up, rooted in the French Republican tradition, and hardened by long years of dogged opposition to the high-handed, autocratic methods symbolised by Gen de Gaulle and unashamedly practised by his successors.

The result of this change in the balance of French political life has been thoroughly in evidence in the last few weeks. Mitterrand's style in these early days of his seven-year term has been discreet and self-effacing. He has been aiming to give the impression of an effective team leader who would rather pass the ball than hog all the goals. The television cameras have found more interest in the Palais Bourbon—the National Assembly building—than in the Elysee on the other side of the Seine. Inside the Assembly, the Socialist found more of interest in the majority with its 193 new members, has pushed ahead vigorously with the Government's reform programme, based towards injecting more democracy into the administrative system.

In the law and order field, it has dismantled the strongly criticised Cour de Surete de l'Etat, an internal security court created by General de Gaulle and endowed with wide powers at the height of the Algerian crisis.

The law reform programme is so full that it is already raising questions about Parliament's ability to cope.

But for the time being, there is a widespread sense of exhilaration that the system is working.

Britain and the U.S. have been pressing the Turkish regime to set forward their demands on Cyprus. Mr Rafi Denktas, the Turkish Cypriot leader, said last month that he opposed any territorial concessions but reportedly received firm instructions during a recent visit to Ankara. He is now in London on a private visit.

These territorial proposals are linked to a constitution under which the presidency would rotate between the two communities and these would be almost equally represented in the federal cabinet and assembly. The constitutional proposals were first tabled in January. The Greek Cypriots complain that the powers to be given to the federal government are too weak and that the majority community should have greater rights.

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Italian tourist workers have called a one-day strike on Tuesday to protest at a breakdown in talks for a new pay contract. Restaurants are expected to close and hotel guests will have to make their own beds, AP reports from Milan.

Riviera blazes

Police have blamed arsonists for forest fires which are raging along the Italian Riviera. Firemen were last night struggling to put out a blaze on the mountain of Portofino, AP reports from Rome.

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Disruption fears lead NZ to cancel Springbok match

BY DAI HAYWARD IN WELLINGTON

ANOTHER SPRINGBOK rugby match in New Zealand has been cancelled. The police and the Rugby Union banned the game against South Canterbury at Timaru on August 19 because of poor security at the grounds.

The police feared they would be unable to keep demonstrators from disrupting the match. Today's game against Southland in Invercargill will take place behind barbed wire entanglements put up by the Army, stretching along both side lines and behind the goal posts.

The police are also swearing in 1,000 special constables to control protestors at the first test in Christchurch on August 15. If they are used it will be the first time in 50 years special constables have gone into action in New Zealand. Police in Wellington have closed several streets leading to the home of Mr Paul Lindhorst, the South African Consul-General, because of a planned protest march today.

Iran gendarme chief quits

BY OUR FOREIGN STAFF

THE COMMANDER of Iran's gendarmerie has resigned in a welter of recrimination over police failure to protect senior politicians and clergy members in the recent wave of terrorist attacks.

Iran state radio announced yesterday that the Interior Ministry had accepted the resignation of Colonel Hassan Ali Forouzan, the commander of the gendarmerie. The announcement follows a series

of attacks on senior members of Iran's clerical leadership culminating in the assassination on Wednesday of Dr Hassan Ayat, the leading theoretician of the ruling Islamic Republican Party.

The attacks are attributed to the Mojahedin-e-Khalq, the underground movement whose leader Mr Massoud Rajavi fled to Paris last week with Mr Abolhasan Bani-Sadr, the deposed President of Iran.

Canada post strike vote

BY VICTOR MACKIE IN TORONTO

CANADA'S 23,000 clerical postal workers will vote next week on whether to ratify an agreement with the Federal Government that would end the 38-day postal strike.

The post could begin moving again next Friday, 46 days after the walkout began, if the members of the Canadian Union of Postal Workers support the tentative agreement, which was reached after 17 days of mediation by Judge Alan Gold.

Details of the proposed package have not been released. But

it is thought to include basic wage increases of 70c an hour in both years of a two-year contract and improved premiums for shift and weekend work.

The increases would raise the average postal workers' salary, including overtime, to about \$25,000 (£14,000) a year. There were also indications that the Government had made some moves on the union's request for 17 weeks of paid maternity leave.

Mediterranean flies keep Californian politics buzzing

BY DAVID BUCHAN IN WASHINGTON

CALIFORNIAN WITS have now christened Mr Jerry Brown, the State Governor, "Lord of the Flies" in reference to the Mediterranean fruit fly against which an aerial spray war is being waged in the densely populated belt south of San Francisco.

Derision is nothing new to Mr Brown—but the sentiment behind it threatens to deny him a seat as Democratic Senator for the state next year when his eight years in the Governor's chair come to an end.

His main opponent is likely to be Mr Pete Wilson, the Republican Mayor of San Diego, who announced this week that he was considering contesting

the Senate seat now held by Senator S. I. Hayakawa, the Republican incumbent. Mr Wilson is also being pushed to run for the Senate by the White House. California advisers in the White House, Mr Ed Meese and Mr Michael Deaver, want to keep Governor Brown from representing their state. The Mayor of San Diego is the strongest runner so far in the Republican field.

California's majestic environment has always been a political battleground. A factor in Governor Brown's disastrous try at the Presidency last year, indeed, was his mistaken assumption that the nation shared this interest in the environment. It

could now play either way for Mr Brown.

Mr James Watt, the controversial U.S. Interior Secretary, is busily provoking a great deal of West Coast opposition to the Reagan Administration and favour for Mr Brown's environmental lobby for example, with his headlong move to lease the coastal areas of California's

But for the moment the bumper stickers read "Save the Medi-fly, Spray Governor Brown."

So far the medi-fly is restricted to an area of 267 square miles, in which the flies are systematically stripped of fruit and vegetables and sprayed with pesticides by helicopters at night.

Mexico has quarantined the import of fruit and vegetables from this area demanding that it be specially fumigated, other producing states, Texas and Florida, have threatened quarantines of the whole of California, but have been headed off in a Federal Court. Japan, a big importer of Californian produce, has considered imposing an embargo on quarantine. The Tokyo Government has so far

resisted such demands from Japanese growers.

Apart from spraying, the cost of the medi-fly to California so far has been less than \$300,000 (£280,000) spent on fumigation by growers within the quarantine area. But far more lies at stake. California has a \$14bn (£7,8bn) a year farm industry, supplying 40 per cent of all fruit and vegetables consumed in the U.S. Mr Jerry Scribner, the medi-fly campaign director, says the fly cannot be allowed to get a hold in a state which has no proper winter to control pests.

If the medi-fly had wanted to cause Governor Brown maximum trouble, it could not have

done better than to choose the counties of Alameda, Santa Clara and San Mateo. For they contain the most environmentally conscious segments of the population.

The 1m people in the quarantine area have become calmer about the spray helicopters making their suburban sorties each night. Wild talk of evacuation has evaporated. But the pest war is still a live pre-text for the wider Californian

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Brave new world at the French Assembly

By Terry Dowdworth in Paris

FRENCH DEPUTIES went on holiday this week rubbing their eyes with the excitement and the slight bewilderment of walk-on actors who have suddenly been asked to play a starring role.

Since the beginning of July, Parliament has been in constant session with the frenetic burst of activity, stretching into long early-morning sittings as reform after reform was pushed through. The French that things have changed right along the political line since they elected M Francois Mitterrand as President three months ago. For the first time since the brief flurry of liberalising social legislation in the early days of the last Government, led by M Valéry Giscard d'Estaing, the National Assembly seems to matter.

In the latter years of the last coalition Government, things were very different. M Giscard was partly hamstrung by a political alliance in which the neo-Gaullists, led by M Jacques Chirac outnumbered the President only limited his own UDF forces, leaving room for legislative manoeuvre. His Government came to rely increasingly on the substantial discretionary powers it was allowed under the Constitution. On several issues—including nuclear energy and the development of high technology, data-based information systems, M Giscard's administration presided over with minimal surveillance by parliament, despite open public disquiet.

Even on budgetary policy, where the National Assembly has wide responsibilities and cannot be disregarded, Deputies were on one famous occasion simply overruled. This was in late 1979, when implacable opposition from the Gaullist side of the Government coalition was put down by the use (or what most people regarded as the misuse) of a majority vote.

By contrast, Mitterrand can afford to allow the Assembly full role for the time being at least. His Socialist Party, potentially very broad church, potentially schismatic with its eclectic combination of Keynesian pragmatists, neo-Marxists and ex-Gaullists sympathisers. But none of its factions is going to march off just yet in the opposite direction to the man who won the election for it. He has an Assembly perfectly modelled for the heavy legislative programme that he has in hand. The new President is determined to strengthen the role of Parliament. This attitude is a fundamental part of his own political make-up, rooted in the French Republican tradition, and hardened by long years of dogged opposition to the high-handed, autocratic methods symbolised by Gen de Gaulle and unashamedly practised by his successors.

The result of this change in the balance of French political life has been thoroughly in evidence in the last few weeks. Mitterrand's style in these early days of his seven-year term has been discreet and self-effacing. He has been aiming to give the impression of an effective team leader who would rather pass the ball than hog all the goals. The television cameras have found more interest in the Palais Bourbon—the National Assembly building—than in the Elysee on the other side of the Seine. Inside the Assembly, the Socialist found more of interest in the majority with its 193 new members, has pushed ahead vigorously with the Government's reform programme, based towards injecting more democracy into the administrative system.

In the law and order field, it has dismantled the strongly criticised Cour de Surete de l'Etat, an internal security court created by General de Gaulle and endowed with wide powers at the height of the Algerian crisis.

The law reform programme is so full that it is already raising questions about Parliament's ability to cope.

But for the time being, there is a widespread sense of exhilaration that the system is working.

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UK NEWS

Liberals set to approve alliance with SDP

By Elinor Goodman, Lobby Correspondent

NEXT MONTH'S Liberal assembly looks set to approve a big majority alliance with the Social Democrats which the opinion polls say could win a majority of seats at Westminster in the next election.

The 1,200 delegates are to debate a motion which, if approved, would authorise negotiations with the Social Democrats at both the national and regional level and provide a framework for an effective pact at the next election.

It would also authorise the Liberals' national executive committee to draw up guidelines to prevent a repetition of the embarrassing and potentially damaging wrangling over which party should contest the Croydon North West by-election.

To the disappointment of some of the more militant Social Democrats, however, the motion will not instruct local Liberal parties when to stand aside for Social Democrats.

Instead, deals deciding which party should contest which seats are to be left to negotiations between the two parties at a local and regional level.

The alliance is of fundamental importance to the election prospects of both parties. It is bound to dominate the four-day assembly.

Mr David Steel, the Liberal leader, has argued strongly in favour of co-operation since the idea of the new party was first mooted.

He will be joined at Llandudno by Mrs Shirley Williams and Mr Roy Jenkins, two SDP leaders who are due to address fringe meetings on the eve of the big debate about the alliance.

The debate will almost certainly reveal the antagonism some Liberals feel towards the Social Democrats. Even so, the move is likely to be approved by a substantial majority.

This will mark the biggest step forward yet in the relations between the SDP and the Liberals, which until now have been largely conducted by the leaders of the two parties without the formal approval of their members.

The motion published yesterday has been carefully worded.

It endorses the proposal that the Liberals and Social Democrats should work "in alliance to secure a majority in the next Parliament." And it seeks to authorise "appropriate negotiations" with the Social Democrats on policies and calls on the Liberals' national executive committee to "establish guidelines for negotiations on organisational and election matters at the appropriate level by local associations and regional parties."

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Recession hits stamp prices

Financial Times Reporter

THE EFFECTS of the world recession on some of the prices are reflected in the 1981 edition of Stanley Gibbons' British Commonwealth stamps catalogue, published yesterday at £13.50.

Although catalogue prices for early Queen Victoria "classic" issues are about 10 per cent higher than in the 1980 catalogue, high denomination stamps of Edward VII and George VI show falls over the year of 15-20 per cent.

This year's catalogue lists the British 1929 Postal Union Congress II stamp, in which there has been considerable speculation, at £550, compared with £1,000 a year ago.

Stamps of George VI's and the present reign, however, show steady rises of about 10 per cent over the year.

Stanley Gibbons stresses that the prices quoted in the £13 catalogue are Gibbons' estimated selling prices as dealers for stamps in fine condition and that the demand for fine stamps continues.

Postal charges may rise in January

POSTAL charges are expected to rise in January next year. It will be 12 months since postal prices were last increased, by an average of 16 per cent.

The most likely increases are 1p on the 14p first class letter and 1p on the 11p second class letter. This would maintain the differential between the two prices.

Cortina keeps Ford sales buoyant

By KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

CAR SALES remained fairly low last month, but both Ford and BL were reasonably satisfied with the outcome.

Ford achieved its highest July car market share, of more than 35.5 per cent. The Cortina is still its best seller.

BL pushed its share up to 21.6 per cent for the month—mainly because of the continued success of the Metro—and because the company also registered many extra Maxis to put into auction this week.

As a result, the Maxi made a final appearance in the "top ten," in eighth place, although production ended last month.

The Metro, third best seller in July, took 8.4 per cent of the market, but it has undoubtedly hit the sales of its stablemates, the Allegro and the Mini, harder than BL had expected.

New car sales in July—according to the Society of Motor Manufacturers and Traders—totalled 48,120. This was nearly 11.5 per cent up on July last year, when registrations reached their lowest point for ten years.

Last month's total was well down, however, on the 50,000-60,000 sales figures in previous years.

In the first seven months of the year, sales at 440,057 were more than 7 per cent below the same period of 1980 and in line with the society's expectation.

that the full year will see sales down from 1.51m in 1980 to 1.41m.

In July imports took a much smaller share of the market: 49.66 per cent against 48.59 per cent in July last year. Over the seven months, the import penetration has dropped from 57.65 to 53.63 per cent.

Much of the drop can be attributed to Ford's decision to assemble at its British plants more of the cars it sells in Britain. Last month 63.6 per cent of the Ford's sold in Britain were British-built, against 59.32 per cent in July 1980.

The Japanese share of the market fell to 9.12 per cent compared with 18.08 per cent in July 1980. In the year so far, however, the Japanese share is above the level British manufacturers would like, at 11.21 per cent, against 10.99 per cent in the same period last year.

The July best-sellers were: 1 Ford Cortina (6,250 sold); 2 Ford Escort (5,692); 3 BL Metro (4,012); 4 Ford Fiesta (3,756); 5 BL Ital (2,106); 6 Vauxhall Chevette (1,156); 7 Vauxhall Astra (1,007); 8 BL Maxi (983); 9 Renault 5 (829); 10 Ford Granada (807).

Mr Leonard said the British Government's position remained unaltered—it would not negotiate or undertake any changes in the prison regime unless the hunger strikers end their protest.

Meanwhile, the condition of Mr Thomas McElwee, now on

talks were necessary if a solution was to be found. In Dublin, Sir Leonard Figg, the British ambassador, gave an official response to a request by Mr John Kelly, acting Foreign Minister, that Britain carry out prison reforms for conforming prisoners.

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Atkins throws out Maze 'peace' initiative

FINANCIAL TIMES REPORTER

THE GOVERNMENT yesterday effectively rejected the latest initiative for ending the hunger strike of IRA men in the Maze Prison, insisting it will not give in to the strikers' demands while they continue their protest.

Mr Humphrey Atkins, the Northern Ireland Secretary, again rejected the prisoners' demands after studying a 2,000-word statement issued by them.

Mr Atkins said he saw no change in the hunger strikers' attitude. He said the protesters and their supporters must

understand that their demands—elaborated on in the statement—could not be met unless the Government let the prison authorities abandon control. The Government would not do this, he said.

In the statement the hunger strikers again avoided the use of the words "political status," but the Government believes that the demands, if granted, would amount to the same thing.

The prisoners' statement did not ask for direct negotiations with the Government, but Provisional Sinn Féin said later such

dealing with such things as the system for paying housing benefit to low-income families, as well as a Local Government Bill and a measure to reorganise Britain's water authorities.

The Conservative Party has serious reservations about rent control on the grounds that they discourage landlords from letting property. But it recognises that it would be difficult to lift

the controls altogether in London because of the impact on existing tenants. Even so, some Ministers have been arguing strongly that the Government should further relax controls.

Sir Geoffrey Howe, the Chancellor, was particularly keen on a change and came up with his own scheme for giving the Government the powers to liberalise the controls area-by-area. The controls would have been relaxed first in the rural areas and London probably would have not been affected.

Another idea canvassed last month was that "assured" tenancies—introduced in the 1980 Housing Act to enable landlords to charge market rents in properties specifically built for renting—could be extended to existing properties being let for the first time.

Justice are followed. This is not the case with the Takeover Panel.

He claimed that the Panel operated "without acceptable rules of evidence, in secrecy, with no transcript of the proceedings available and without any appeal against its decisions," and that "these practices were outlawed for judicial matters in England when the Statute Chamber was abolished in 1840."

Mr Raper concluded that "all the criticism, much on a very personal level directed by the Panel against Jim Raper is unfair and wrong."

Most of the money is earmarked to encourage women to take up jobs traditionally reserved for men. Britain's Manpower Services Commission is to get £234,922 for the training of 80 women seeking employment in industry.

Rolls-Royce's flood damage over £2m

FLOOD DAMAGE at Rolls-Royce's aero-engine works at Salford, Derby, last month has been assessed at over £2m. More than 3 in of rain fell in 70 minutes from clouds piled up to a height of 30,000 ft and, said Rolls-Royce News, one giant rig rose to ceiling height, its massive steel plates and screw jacks twisting like cardboard.

Third, the price movement is not always upwards. Petrol prices did fall in the second half of last year when the pound was high and market competition was intense.

All this may be true, but it will do little to help motorists organisations—convinced that the oil companies are heavily loading price increases on to petrol rather than their other products.

Mr Philip Stein, of the Motor Agents' Association said yesterday: "It looks as if the oil companies are seeking to recoup from petrol prices what

they have failed to make in their other operations, like fuel oil sales."

Certainly, the market for petrol has been far less responsive to the price rises of the past few years than that for other products. Shell estimates overall demand for oil products is 10 per cent less in the UK this year than last, while petrol sales in the first six months were only 1.2 per cent down.

The drop in overall demand has left the UK—in common with the rest of Europe—with a large surplus refining capacity. British Petroleum said last week it would close its 10.5m-tonne

a-year refinery at the Isle of Grain in Kent.

Shell, for its part, is gradually reducing capacity at its Shell Haven refinery, Essex, from 8m tonnes a year to 4m tonnes.

But despite the drop in demand, oil companies still are having to invest heavily in new refinery and related equipment—largely because of the changing pattern of consumption.

Shell is investing £80m downstream this year, although that will be £10m less than its original capital expenditure plans.

The dockers have asked for a 13 per cent pay rise on minimum basic wages of £78.50 a week.

The agreement specifies a minimum two-day week for a further three months, but some redundancies among the 650 workers.

Mr Peter Rowen, chairman of the shop stewards' committee, said the workers were determined to continue the occupation, which has lasted nearly four months.

An injunction was granted against the occupation a fortnight ago. Bailiffs visited the night twice in the past week, but the workers stopped an attempt on Monday to gain entrance.

Dock changes talks set

PAULINE CLARK, LABOUR STAFF

LIVERPOOL dockers, employers and union negotiators are to meet on Monday to discuss proposals designed to introduce important changes in working practices and to increase the port's efficiency.

If details of the plan are agreed by the two sides, it will then be put to a mass meeting of the port's 3,500 dockers together with a pay offer held back since April because of failure to agree on employer's efficiency demands.

Intensive negotiations on the plan have taken place since the end of last month when, for

the first time, union negotiators in the Transport and General Workers' Union backed down on earlier resistance to employer's insistence that a pay deal must be tied to an agreement on changes in working practices.

Both sides had hoped for proposals to be settled in time for a mass meeting tomorrow. But discussions involving dockers' rule book changes have taken longer than expected.

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If details of the plan are agreed by the two sides, it will then be put to a mass meeting of the port's 3,500 dockers together with a pay offer held back since April because of failure to agree on employer's efficiency demands.

Intensive negotiations on the plan have taken place since the end of last month when, for

the first time, union negotiators in the Transport and General Workers' Union backed down on earlier resistance to employer's insistence that a pay deal must be tied to an agreement on changes in working practices.

Both sides had hoped for proposals to be settled in time for a mass meeting tomorrow. But discussions involving dockers' rule book changes have taken longer than expected.

The dockers have asked for a 13 per cent pay rise on minimum basic wages of £78.50 a week.

The agreement specifies a minimum two-day week for a further three months, but some redundancies among the 650 workers.

Mr Peter Rowen, chairman of the shop stewards' committee, said the workers were determined to continue the occupation, which has lasted nearly four months.

An injunction was granted against the occupation a fortnight ago. Bailiffs visited the night twice in the past week, but the workers stopped an attempt on Monday to gain entrance.

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THE WEEK IN THE MARKETS

Tanning oil for bear positions

The bears must be sitting on beaches somewhere but not in London to have blacked out and flash flooding were in no mood to sell and share prices were able to crawl slowly upwards all week.

There were one or two obstacles to negotiate not least sterling's sudden tumble below \$1.80 and money supply which again seems to have been breaking out of bounds.

Sterling rose 2½ per cent in the banking month of July which suggests that money supply is rising at an annualised rate of 1½ per cent, on the basis of the last five banking months, against a target ceiling of 10 per cent. Plugging the distortion on the civil servants' dispute, the Bank of England was putting on a brave face and insisting that the underlying growth is "unlikely" to have been outside the set limits.

The Old Lady also unveiled its new system of managing the money markets. Rather than ringing any changes by lending directly to the discount houses, as it does now, the Bank will operate henceforth much more heavily in commercial bills. The number of eligible names whose bills may be bought by the Bank has thus been doubled, bringing in many new overseas banks.

Minimum Lending Rate, however, is not quite dead. Rather

like Punch and Judy it will come out from behind a curtain on those occasions when the authorities are forced to eschew subtle interest rate prompting from the wings and belabour markets from centre stage with a blunt message of major change.

As so often happens in August, individual deals caught the attention. The bidding which has enmeshed Offex would serve as a model for the Institute of Valuers' and Auctioneers' examination finals and the wheeling and dealing in F. H. Lloyd boardroom may yet turn out as a new test for institutional muscle. Britannic Assurance, for one, is unhappy with the way in which management control appears to have changed and is promising to start flexing its biceps next week.

Ladbroke reappraisal

It has been a busy week for the Ladbroke Group. First it announced the proposed commercial redevelopment of the east wing of the Savoy Hotel and quickly followed this up with a £28m rights issue. Each event is indicative of what has been happening to Ladbroke since the casino shake-out last year.

The development deal, which has enraged the Savoy's recent auditor, and major shareholder, Trust House Forte, is the latest in a string of property develop-

LONDON

ONLOOKER

ments on both sides of the Atlantic designed to convert Ladbroke's cash flow into physical assets.

The funds generated by the betting shops, amusement machines and, until last year, from the casino chain, have enabled Ladbroke to put £130m into new hotels and commercial properties over the last three years.

An important tributary of the cash flow businesses has gone with the demise of the casino interests but rather than weakening the shares, the elimination of these low quality earnings has helped lift the price almost threefold over the last year to a recent high of 170p. The group can now safely turn to its shareholders to fund this rising momentum of property investment. The rights issue basis is one-for-six at 131p.

The group backed that up with interim profits of £13.7m before tax which, excluding the residual contribution from the casinos last year, shows 23 per cent growth. The aim now is to finance further investment in fixed assets from the sale of dealing properties, higher borrowings and from the still

considerable flows of cash from the consumer operations.

STC slips

Just as they did when the annual results were issued five months ago, shares in Standard Telephones and Cables fell heavily during the week after publication of its interim profits for 1981.

In March, STC reported a 33 per cent rise in annual profits but warned of slower growth this year with special mention for the components division where volume was coming under increasing pressure.

Its warning was timely. Half-time profits are down from £22.8m to £19.1m although STC has charged a redundancy bill of £8.8m before tax and this was only partly offset by £2.3m of retrospective price adjustments. The shares crashed 43p on Monday to 420p.

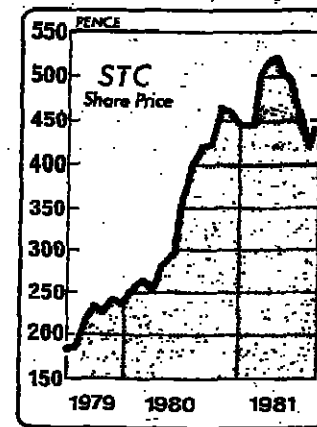
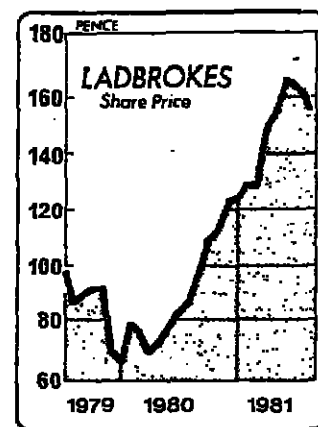
The reaction can be explained by the poor marketability inherent in the issue two years ago of only 15 per cent of the shares. And the supposedly glamorous nature of the telecommunications and electronic components sectors sometimes flatters to deceive.

The independent components groups, Unitech and Electrocomponents among them, have already shown how tough this business has become and it is no real surprise that STC's own sales in this area have dropped by 14 per cent to £83.7m.

But, while STC's parent—International Telephone and Telegraph, kept many of its high-risk, high-return operations out of the flotation package, the shares have been drawn upwards from the starting price of 160p by the magnet of telecommunications. STC has established a strong position in the TXE4 and the TXE4A telephone systems which are to be installed in the 1980s and it says that it has not so far been affected by the cash limits the Government wishes to impose on British Telecom. That should ensure earnings stability this year but it does not quite add up to the unfettered growth which the shares, in their more bullish moments, are wont to demand.

Hoover's caution

The second quarter figures from Hoover, announced on Thursday, were even more dismal than expected. A much lower charge for redundancies reduced the pre-tax loss to £2.3m from £3.8m in the first three months, but the underly-



ing trading position continued to deteriorate, with losses before exceptional costs rising by 50 per cent to £1.8m.

The second half of the downturn occurred in the UK, where Hoover has at last been making major productivity strides. Unit output is roughly unchanged from last year—representing a slight gain in market share—but the workforce has been significantly trimmed.

The blood-letting is not yet over and redundancy costs in the second half could well test £2m or more. But at least Hoover should be in a reasonable shape to take advantage of a weaker pound and an improvement in demand when the dust clears. Whether the company has shed enough fat to match the East European and Italian competition on production costs is still an open question.

Glynwed expands

Glynwed is by no means the first British engineering group to give grateful thanks for the strength of its South African operations. The group's profits were down by 31 per cent at the interim stage at £6.28m, but its UK earnings halved and it was left to the overseas contribution, notably Defy's domestic appliances in South Africa, to keep profits anywhere near the previous mark.

The bathroom and kitchen products division and the steel stockholding divisions in the home market were in loss, the latter by some £2.5m, but the chairman, Mr Leslie Fletcher, said during the week that trading conditions in these difficult areas were enjoying a "modest" upturn in the last few months of the half-year.

In the light of well-publicised problems in the engineering and steel industries nationally, Glynwed has done well to keep its steel re-rolling, castings and fastening activities in the black, a tribute to the work it has carried out over recent years to attack costs and to trim obvious weak spots.

Drama all round

NEW YORK

PAUL BETTS

THREE SEPARATE sets of events all contributed to keep the stock market worried this week.

There was a flashy side with the final act in the battle for Conoco leaving lots of investors, especially those who missed out on Conoco, with a compulsive urge to gamble some funds on several potential oil company takeover targets but with little certainty they would hit the jackpot.

There was even greater drama all round the country's airports with the air controllers going on strike and presenting President Reagan with his first major ugly confrontation with organised labour in the U.S. For the market, there was no way to tell what the impact of the strike would have on the country and on the stocks of airline companies during their traditional high summer season.

Finally, there was the more humdrum business of the U.S. Treasury's huge refunding, its impact on interest rates, on the bond market and in turn on the stock market.

The combination of these three things left the Dow Jones industrial average roughly in the same place as last week. It went down, it went up a bit, and finally settled on what has now become a stagnant level around the 950 mark. As long as the market has to continue to cope with so much uncertainty on a variety of fronts, it is more than likely that it will stick around this level for the immediate future.

The big headlines were hogged by the Conoco takeover classic and the air controllers' walk-out, their arrests, their huge fines and the scenes, familiar perhaps to summer travellers in the UK but not so far to Americans, of bedlam at the airports. But the main event for the stock market was undoubtedly the Treasury's borrowing this week and the expectations that it is likely to increase in the last quarter of the year.

The question tormenting the stock market was whether the bond market would be able to absorb some \$8.5bn of new Treasury debt this week. For weeks now the stock market has been waiting for a cue to come from the bond market, which has been in a state of prolonged limbo. But a cue did not come this week.

Things were not as bad as the market had feared. But nor were they as good as they could have been. The Treasury sold its new notes and bonds and they all were issued at record

yields. The market, however, was able to digest the new Government offerings—albeit with a strong dose of bicarbonate of soda. It stood its ground but was unable to make any progress.

Moreover, there was some additional confusion from the latest economic statistics. Wall Street and Washington doom-watchers have been warning in recent days that the economy was about to slip into a fearful recession. That, in a sense, would mean a decline in interest rates and good news for the bond market.

Lower interest rates would also be good news for stocks but a severe recession would be bad news. But some of the latest data suggests the economy continues to be resilient and business loan demand strong. The Department of Labour yesterday reported a decline in the rate of unemployment last month from 7.6 per cent in May and 7.3 per cent in June to 7.2 per cent.

There was even more uncertainty at the airports. The air controllers have been sticking firm and so has President Reagan who for that matter has left the whole thing suspended in mid air by taking off on a four-week "vacation" to California.

Some estimates put the daily revenue losses of U.S. airlines at around \$40m. But, surprising as it may seem, many airline stocks have in fact made some gains since the strike began on Monday. Delta was up about \$4 since the strike started, while Eastern TWA and United all made fractional gains.

Some analysts claim the controllers strike will in the long run be good for airline profits. Domestic airlines have suffered in terms of earnings from the deregulation of the industry. Fierce price competition has eroded revenues while rival airlines have been poaching on each other's routes. But the strike is now again turning the airline business into a regulated industry.

MONDAY	946.25	-4.99
TUESDAY	945.97	-0.28
WEDNESDAY	953.58	+7.61
THURSDAY	951.91	-0.67

MARKET HIGHLIGHTS OF THE WEEK

	Price	Change	1981	1981	
	Yday	on week	High	Low	
F.T. Ind. Ord. Index	538.0	+ 9.9	597.3	444.0	Firmer tone in quiet trade
F.T. Govt. Secs. Index	64.00	+ 0.48	70.61	63.12	Weak sterling
BOC Int.	147	-12	154	101	3rd-J figures due Wednesday
Barclays Bank	457	+22	457	376	Better-than-expected int. results
Boots	228	-13	257	211	Brokers' circular
Cadbury Schweppes	93	+ 8	99	66	Int. results due soon
Centraway Trust	100	-20	143	83	Annual loss/div. cut
Commercial Union	169	-12	187	135	Interim results due Tuesday
GEC	775	+33	775	573	Investment demand
Horizon Travel	270	-30	270	117	Int. results due August 17
ICL	28	- 4	70	26	Financial restructuring plans
Mercantile House	525.25	+85	525	280	Investment support
Minoro	660	+128	710	512	Philbro/Salomon Bros. merg. int.
Novo Inds. B	£105	+11	£122	£ 46	Persistent demand
O.R.E.	195	-27	195	125	Merger talks
Sheffield Brick	49	+10	49	21	Press comment
Standard Telephones	430	-32	545	405	Disappointing half-year figures
Vickers	173	-14	216	129	Tank order from Nigeria
Ward (T. W.)	141	-18	141	98	Talk of bid from RTZ
Wiggins Construct.	75	+10	75	36	Chairman's optimistic statement

Banking season draws to a close

THE "HALF-TIME" reporting season for the big clearing banks is over. This week Barclays Bank closed the season with its announcement of a virtually unchanged interim pre-tax profit of £280.3m. Brit-

ain's largest bank, Barclays came second in terms of profit growth: NatWest and Midland suffered pre-tax declines. It has been a mixed picture since Lloyds Bank kicked off the season with an impressive 20 per cent rise in pre-tax earnings, but certain trends are now discernable.

Domestic banking profits have held up rather better than expected despite a year-on-year decline in average base rates from around 17 per cent to 12.8 per cent. British banks continue to be among the most profitable in the world.

One of the most important reasons for the healthy domestic profits was the widening of margins between base rates and seven-day retail deposit rates. Thus, despite lower interest rates in the UK, the average margin has widened from 2 per cent a year ago to around 2.8 per cent.

Meanwhile, had debt provisions in the first half of this year have been less daunting than they were in the second half of last year. The aggregate had and doubtful debt provision announced by the Big Four banks was £187.3m, down nearly 25 per cent on the latter part of 1980.

Another important factor in boosting domestic earnings has been the appearance of better than expected cost control among the banks. Midland has done less well than the other banks in this area, but is keeping a lid on staff and overhead charges, an important determinant of the return on domestic banking business.

Beyond these major reasons for the pleasing domestic performance, there are also indications of a respite from last year's outbreak of customer switching from current to deposit accounts.

Indeed, some analysts suggest that the major banks may have held an extra £1bn collectively in current account deposits during the second quarter. This useful sum would have been one side-effect of the recent civil servants' strike.

As expected, some of the leasing and instalment finance businesses such as NatWest's Lombard North Central and Barclays' Mercantile Credit improved their profits and helped to counterbalance the effect of lower interest rates. Barclays reported this week that combined profits of its related operations—including Mercantile, Barclaycard, Barclays Merchants Bank and Barclays Trust—have been running more than 12 per cent higher than in the second half of last year.

Outside the UK, Barclays, Lloyds and Midland appear to have done well in their international ventures, but NatWest has fared with a drop of nearly a fifth in its inter-

national profits. NatWest's headquaters can largely be traced back to the heavy financing expenses of its 1978 acquisition of the National Bank of America for £425m. The U.S. bank has been caught in a sticky patch and is not contributing nearly enough to cover these charges.

NatWest's foreign currency advances now account for 55 per cent of total advances, but international division earnings account for just a third of group profits.

Lloyds Bank has proved to be the clearer with the fastest growing international business. Lloyds Bank International more than doubled its pre-tax profits to £50.6m against last year's first half. One of the key reasons why Lloyds has been able to do this well has been LBI's decision to switch large sums of money from money markets to lending.

Like its counterparts, LBI is now contributing a sizeable part of group earnings, demonstrating that while British banking is profitable, domestic earnings are not the only arbiter of group performance.

All of the banks have shown provisions for the special levy on banking profits contained in this year's budget. They have complained that this windfall profits tax results in significantly lower retained earnings.

When all of the figures are finally added however, the aggregate pre-tax profit for the Big Four during January-June comes to £756m, which is only 2 per cent lower than the £773m pre-tax turned out a year ago.

Analysts are now pointing out the perils and plugging in their calculators in order to assess prospects for the full year. Views differ, but there is a consensus that the 12-month banking results should be roughly in line with interim trends.

At stockbrokers W. Greenwell analysts expect Barclays to make around £580m in pre-tax profits (£523.5m for 1980). Lloyds is forecast to earn £571m against £529.9m, Midland around £226m instead of 1980's £221.8m, and NatWest £407m against £401m.

Not all of these estimates are pleasing and once again Lloyds would be the biggest gainer with Midland bringing up the rear. But considering the lower interest rates now influencing the market, the Big Four could have done far worse.

Alan Friedman

So far, so good

MINING

KENNETH MARSTON

CHEERFUL noises have continued to emanate from the base metal markets this week with further gains in prices, notably of lead, zinc and copper. Company results from the metal producers, on the other hand, have continued to reflect the lower prices obtaining earlier this year.

Share markets, however, are not much interested in past history, they always want to look ahead and with metal prices moving forward again they like what they see. So, in line with the improvement in metal prices, shares of most of the producers have gained ground over the past few weeks.

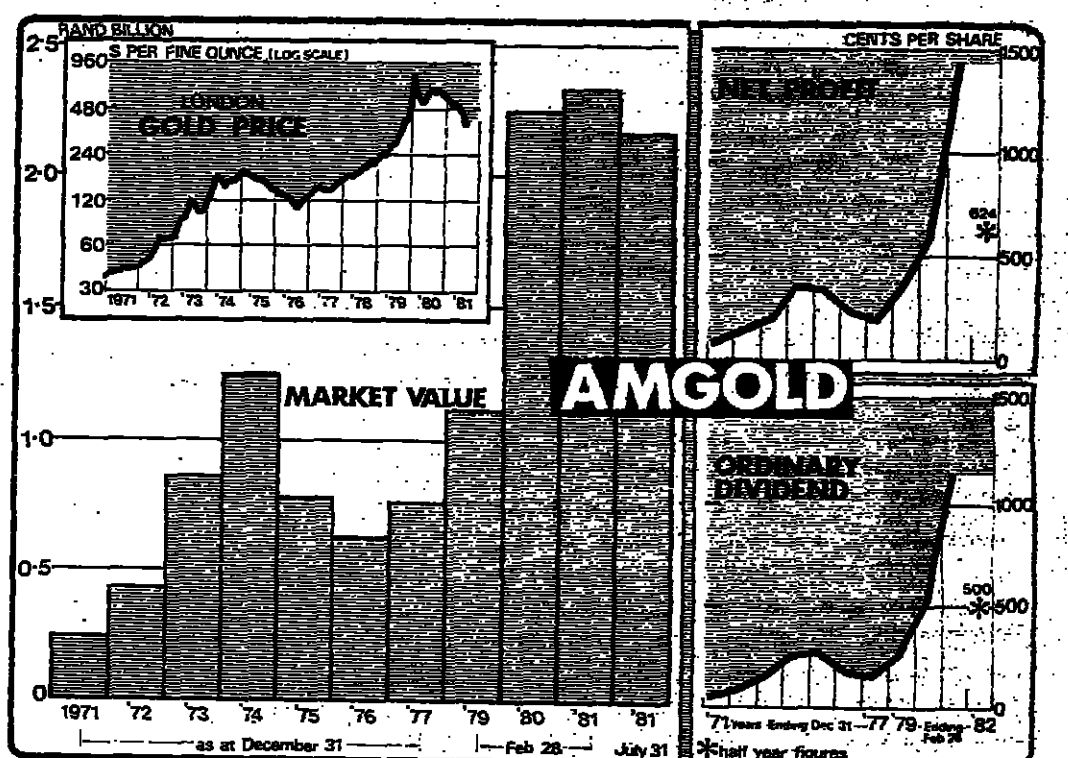
Take-over possibilities have been a factor in the movement as far as the U.S. companies are concerned and, to a fair degree, in the case of London's Rio Tinto Zinc. However, they have not applied in the cases of the other UK mining houses and those in South Africa which have also risen in price.

But the Australian issues have been losing ground as the accompanying table shows.

United States	August 7 July 1
Amstar	\$641 \$625
Asarco	\$414 \$371
Newmont	\$724 \$674
Phelps Dodge	\$444 \$401
South Africa	
Anglo American	6300 6300
Gencor	£104 £850
United Kingdom	
Chirac	2700 2380
Gold Fields	4780 4380
RTZ	6080 5380
Australia	
CRA	2300 2620
MMH Holdings	2450 2520
Pebble Valley	4130 4130
Western Mining	2810 3150

Special adverse factors have been at work in the Australian sharemarket, which include the current widespread labour unrest. Down Under, fears of a possible resources tax in the Budget due on August 18 and high interest rates.

Despite all this, the feeling is that if the prices of the other metal producers are correctly sent the long-awaited recovery, then good-class Australian issues should also be worth picking up for the longer term. RTZ has been the star performer in London, the shares having risen to an all-time high of 593p this week. It is pleasing to note that the company's less glamorous convertible loan stock has moved up to a high of £128 for every £100 invested.



when the stock was offered at par to RTZ shareholders' last September. An opportunity not to be missed by the small investor seeking capital gain with minimum risk, was this column's comment at the time.

The demand for RTZ has not been affected by the spate of reduced half year profits which has come from the group's various interests. This week, for instance, the 39 per cent-owned Palabora copper mine in South Africa has reported a first half profit of R8.96m (£5.19m) compared with R31.24m a year ago.

Palabora has cut its second quarterly dividend to 10 cents which makes a half-year profit of 20 cents compared with 55 cents at this stage last year and the subsequent total for 1980 of 110 cents. The mine's problems have been basically low metal prices and high costs.

RTZ's own half year results, which are due next month, are clearly going to be down on the buoyant level of £89.7m reached at this time last year. Some observers are looking for a figure of around £90m, or 34p per share, this time but the well-covered dividend should be safe enough.

While RTZ have been boosted to a fair degree by a takeover hopes, shares of the group's Australian CRA have become something of a Cinderella. Although there is no question

of any take-over bid for CRA, the latter's shares would probably benefit if one were made for RTZ.

Stockbrokers James Capel make the interesting point that in the event of a bid RTZ would probably resist strongly and base its defence on the high replacement value of the group's assets. This would focus attention on CRA in much the same way as last year's British Petroleum bid for Selection Trust helped to put shares of major mining companies in general on a higher market rating.

Prices of gold and gold shares have lacked any real direction this week and attitudes towards them remain very cautious. The major gold share investment company Anglo American Gold

Investment (Angold) has produced its half year results which show net profits down to R136.9m (£79.3m), or 624 cents per share.

This compares with R158m a year ago when, under the impact of an average gold price of \$814 per ounce, the total 1980 profit advanced 146 per cent to a record R315m. Recognising the changed picture since then, Angold's interim for the current year has been cut by 30 cents to 500 cents.

Unless there is to be a revival in the gold price—currently under \$400—a further fall can be expected in second half earnings and in the final dividend which was 800 cents in 1980. At the current price the shares seem to be high enough for the time being.

UNIT TRUSTS AND INSURANCE OFFERS

Arbuthnot Securities Ltd

Page 1

Deposits of £1,000-150,000 accepted for fixed terms of 3-10 years. Interest paid gross, half-yearly. Rates for deposits received not later than 21.8.81 are fixed for the terms shown:

Term (years)	3	4	5	6	7	8	9	10
Interest %	13.1	13.4	13.7	13.9	14.1	14.3	14.5	14.7

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YOUR SAVINGS AND INVESTMENTS

William Hall looks at how monetary control policy will affect investors

Why we are saying goodbye to MLR

IN LESS than a fortnight's time the Government's new system of monetary control—the final details were unveiled this week—will begin to operate.

The people most affected by the changes will be the money market operators, such as the discount houses and the wholesale money managers, of the banks. However, the changes are also going to have an impact on the customers of the High Street banks, and the building societies.

The main purpose of the changes is to make interest rates more responsive to market forces and give the authorities better equipment with which to control the money supply.

After months of consultation, the Bank of England and the Treasury have come up with a series of measures which are regarded by the experts as a rather messy compromise.

Interest rates are supposed to be left to market forces under the new regime, but the authorities are still going to be operating in the shadows in case they do not like the direction in which interest rates are moving.

For the layman, the most visible sign that things have changed is that Minimum Lending Rate (the successor to Bank Rate) has been effectively abolished.

Although MLR has become increasingly less important over the years, it has retained a symbolic use as a guide to what the authorities believed was an appropriate level for interest rates. Traditionally, it is changed at 12.30 on Thursday after the weekly meeting of the Monetary Policy Committee of the Bank of England. The new rate is posted on a board just inside the front door of the Bank of England.

Under the new regime the board will remain, but it will probably be covered up by a tasteful dark green curtain, which might in an emergency be opened to let the public see the Bank of England's minimum lending rate to the City's money markets.

The main impact of the new system in practice is that it will increase uncertainty in the money markets and this is likely to be translated into more frequent movements in the rates personal customers pay for their bank overdrafts.

Over the last two years base rates have only moved four times. Under the new system, bankers believe that base rates will fluctuate more frequently and by smaller amounts.

The banks have already made some contingency plans for this development, particularly on

their home loan side, where Barclays and National Westminster have recently established special home mortgage rates which are intended to be more stable than base rates. The other banks still link their mortgage lending to base rates but this will probably change.

Movements in personal loans are also expected to be insulated from the volatility in rates. It is too early to say how the situation will develop but there are already signs that a two tier interest rate structure is beginning to emerge.

The big corporate customers have an increasing amount of their lending linked to volatile money market rates whilst the personal customer is being sheltered to some extent.

When short rates are rising this tends to work in the personal customers' favour (as at

the moment). But the reverse is often true when rates are falling, and the banks are slow to bring their base rates down since this hits their profitability.

The other area where the changes are causing some concern is among the legal fraternity. Bank rate and MLR have long been important benchmarks for solicitors undertaking transactions for clients. For example, delays in buying a house often mean that one side has to pay interest on the money tied up. Generally, this has been tied to an official interest rate.

The disappearance of MLR has led to much confusion amongst the legal community and the Law Society, Treasury and the Bank of England hope to have found a solution by the end of next week.

Ones to avoid...

SOME OF the most interesting savings offers these days are being made by the Government—the 19th issue (no longer available) and granny bonds all round (on the market from September 7) are probably the best publicised examples.

An announcement this week, however, drew attention to one of the less tempting investment opportunities provided by the Department of National Savings.

From Monday holders of National Savings Bank ordinary accounts will be able to settle household bills at Post Offices by direct debit rather than actually drawing out their cash. At the moment account holders' passbooks are retained for checking if more than £30 in cash is taken out but under "Paybill", as the new scheme is called, books will not be withheld as long as the payment does not exceed £100.

Payments to any organisation with a Girobank account, such as gas and electricity suppliers and local authorities, will qualify under the new arrangements.

Paybill is a relatively minor modification but at least it improves the flexibility of NSB ordinary accounts at a time when the Government is desperate to retain any funds from the personal sector which it can lay its hands on.

The truth is, however, that the 14m savers who keep cash in such accounts have been

seriously losing out. Together, their deposits currently total £1.7bn, money on which the Government pays interest at the miserly rate of 5 per cent gross.

The first £70 of this interest is tax free, a concession which might justify a £1,400 investment by saving the taxpayer the top marginal rate of income tax. A vast number of others should seriously consider closing their accounts and if they wish to keep faith with the Government switch to an NSB Investment Account.

This pays 13 per cent gross, though one month's notice of withdrawal has to be given. Admittedly, the NSB ordinary account, which offers money back on cheque though no chequebook facility, has a quasi-current account status. Besides gaining popularity at a time when nominal interest rates were much lower, it is apparently used by many people in rural areas who have ready access to a post office than a bank branch.

This, however, is no excuse for the Government to use "cheap" money at the expense of savers, many of them elderly, who are too timid to adapt to the modern competitive saving climate.

Other unattractive accounts which savers should avoid are as follows:

—**Trustee Savings Bank Savings Account.** The return here is only 4 per cent gross (no tax free interest is available) and once again the Government is

the chief culprit. Until recently most of the TSB's funds were lent to the Government, either through their holdings of gilt edged stock or through money lent directly to the National Debt Office at a fixed rate. The TSBs are now trying to become fully fledged bankers and slowly but surely this money from the NDO is being returned. Around £1bn, however, is still held by the government and earns interest for the TSBs at only 7.75 per cent, hence, they say, their inability to pay more than 4 per cent to the 6.8m investors who hold £1.4bn in savings accounts. In their defence money in these accounts is available on demand and the TSBs will pay cheques to third parties and debit the holder's account.

Premium bonds. Although marketed by National Savings, these are more a gamble than an investment. Whichever way you look at it, the Government gets a good deal for the total value of the prize money as a proportion of the funds invested is currently only 7 per cent. (It was increased from 51 per cent last year.) The authorities obviously feel they are entitled to exploit the gambling instinct.

Building Society Save As You Earn. This is a five-year regular savings contract along the same lines as the National Savings scheme. The return, however, is not linked to inflation and works out at a compound growth rate of 8.3 per cent tax free over the period. Five-year money is more expensive than that at the moment.

Tim Dickson

The poorer sex

PENSIONS

ERIC SHORT

IN MOST walks of life there tends to be discrimination of one sort or another between the sexes, and the pensions field is no exception. In the pensions field the bias works very much in favour of women, mainly because they tend to retire five years earlier than men.

Under the State pension scheme and under the majority of company pension schemes, the normal retirement age is 65 for men and 60 for women. Given that the benefits paid at retirement are the same, this means that women get the same pension five years earlier than men, although they will have paid contributions for five fewer years.

If there is to be sex equality for pensioners this difference in retirement ages must be removed. There has not, however, been any sustained protest against this anomaly—only the Equal Opportunities Commission, belying rumours that it is concerned solely with discrimination against women, has consistently pressed for a common retirement age. The EOC has strongly disputed the subject. One suspects that if women were the subject of discrimination something would have happened long ago.

The practical arguments marshalled against resolving the position are that it is highly expensive to bring the male retirement age down to 60 and that it would be breaking faith with women to raise their retirement age, thus making the work longer and pay longer for their pension.

The Department of Health and Social Security (DHSS) is most vehement in defending the status quo for the State scheme. The Department estimates that it would cost £2bn a year to lower the men's age to 60 and it is not going to recommend a potential vote losing course of raising the women's age. The EOC has strongly disputed the DHSS's figures and feels that equalisation is not only desirable, but practicable.

In this respect, the occupational pensions movement has not sat idly by waiting for public opinion to force the Government to act. Both the National Association of Pension Funds and pension consultants Noble Lowndes have produced papers setting out practical schemes for bringing about a common retirement age. The essential point in any change is that it cannot be done overnight. There has to be a long transitional period and the time to start planning is now.

Both the NAFP and Noble Lowndes show that it is possible to bring about a common retirement age around 63 without imposing an unacceptably high cost burden.

Why do company pension schemes not press ahead with reform without waiting for the Government to change the State scheme? In the past, after all,

Avoiding CGT via a charity

BY OUR LEGAL STAFF

FINANCE AND THE FAMILY

In the event of my selling a private residence (not my home), at around £30,000, and costing £7,000 when built in the 1960s, would I still be liable to full capital gains tax (i.e. 30 per cent of £23,000-£3,000) if I elected to donate £10,000 of the gross proceeds to a registered charitable trust?

Yes. A possible solution is to give the charity a one-third interest in the house; you could then sell the house jointly. Your solicitor (and the charity's solicitors) will be able to guide you through the tax (and stamp duty) maze. If by the 1980s you mean a date before April 7 1965 the chargeable gain may not be as much as you suggest. Here again, your solicitor can explain the complex CGT rules for property owned on April 6 1965.

An order of discovery

An order of discovery has been made to a British subject for bank statements from a UK bank, who, as he is living abroad, ignores them. Can you suggest any procedure whereby these statements can be obtained?

It may be possible to achieve the required result if the party seeking discovery can devise some interlocutory process in which evidence can properly be taken. The bank may then be subject to a subpoena duces tecum.

Common and joint tenancy

An area of land was purchased some years ago by five related persons and held in a joint tenancy by four of them with the interest of the fifth in their trust. One of the four has died. The owners now intend to break the trust and would like to know would a sale or gift of his whole interest by one joint owner to another of the trustees break the trust and reduce the ownership to a common tenancy?

If the interests of the five beneficiaries were joint and not as tenants in common, the four survivors now held as joint tenants as well. To convert these interests into tenancies in common the simplest course is for each to serve on the others notices of severance of the joint

Tim Dickson

COST OF INSURING THE CONTENTS OF A THREE-BEDROOM SEMI-DETACHED HOUSE
AVERAGE VALUE £13,000* — FULL REPLACEMENT COVER

Company	Hampstead NW London	Wimbledon SW London	District Glasgow	Birmingham	Cornwall
Commercial Union	107.75	107.75	88.25	62.25	62.25
Co-op Insurance	57.20	57.20	57.20	36.40	36.40
Eagle Star	104.00	84.50	84.50	45.50	45.50
General Accident	91.00	91.00	65.00	52.00	52.00
GRE	123.50	91.00	52.00	52.00	52.00
Legal & General	97.50	65.00	52.00	52.00	39.00
Norwich Union	91.00	91.00	65.00	45.50	45.50
Peart	54.00	54.00	54.00	50.75	41.00
Prudential	71.50	71.50	65.00	52.00	45.50
Royal	117.00	104.00	65.00	45.50	45.50
Sun Alliance	143.00	71.50	58.50	58.50	45.50
TSB†	65.00	65.00	35.10	35.10	35.10

* As per TSB estimate. † limit of 3 years on full replacement. ‡ minimum premium.

Shopping around pays

INSURANCE

ERIC SHORT

ANYONE planning to insure the contents of their home should shop around for the cheapest rates, especially in the London area. This is the main conclusion to be drawn from a survey of premiums currently charged by leading insurance companies, including the Insurance Association of the United Kingdom.

In the past, insurance companies charged a standard premium rate for contents insurance applicable to the whole country so it was immaterial which insurance company was used as far as price was concerned. Those days are over.

It is no longer sufficient for insurance companies to assess the country as a whole. The risk of paying claims on contents varies between areas, with theft being the biggest variable. This is now apparent in the different rates.

Since the number of thefts is rising, particularly in London and other major cities, so premiums rise. Each insurance company makes its own assessment of the risk and carries out a review of the ratings at different times. The situation now is that insurance companies charge different rates for different areas, according to their experience and the time which has elapsed since the last revision.

Motor insurance premiums have long been calculated on a complicated rating basis, thus enabling motorists to shop round for the cheapest deal. A similar situation is now developing with house contents insurance.

Companies have only been operating this type of system for a few years and the systems being developed are compar-

tively crude compared with the sophistication of motor insurance rating. Some have just started to adopt the new methods and it is these companies which are quoting lower rates. This is reflected in the rates quoted by the Prudential, which has just completed its revision.

The Pru still does almost all its house contents business through its field staff as an adjunct to its life business. The profile of its customers is undoubtedly down market. Its rates for Hampstead are low, because on its own admission it insures comparatively few householders in that area. Its rates for Birmingham, in contrast are not the lowest in the market. Royal and Norwich Union are lower, reflecting perhaps the below average coverage of these companies in that city.

The difference between insurance companies often reflects the type of individual who insures with them. The more affluent with the higher sums insured are more likely to be burgled.

The home service insurance companies as the table shows, charge a lower premium than their up-market counterparts, especially for London. The major composites have been ruthless in their rate revisions for London.

People may well be discouraged from dealing with the home service companies like

the Prudential first because of "snobbish" reasons and secondly because they fear that once they have made contact with the company they will be pestered by the Man from the Pru trying to sell all types of insurance. The Pru itself is adamant that this does not happen.

Anyone can take out insurance through his local branch of the Pru, and with its nationwide coverage the Pru is not far short of the building societies in having a branch in every High Street. Renewal notices would be delivered by the Pru agent, but if the householder indicates that he is not interested in any other type of insurance, the agent will most likely push the notice through the letter box with an envelope in which to send the premium. The agent cannot afford to waste time selling to an unresponsive client.

Similar arguments apply to the other home service insurance companies, though they have not the same saturation branch coverage as the Pru.

The obvious solution for householders seeking insurance is to use the services of an insurance broker.

The table shows that the TSB's house contents policy is among the cheapest in the market. This is true within the range quoted but it has two limitations. First, it has a high minimum sum insured based on the TSB's estimate of the average value of contents in a particular type of house. Householders with lower sums insured could probably get a cheaper rate from one of the home service companies. And secondly the plan has an upper limit of £22,000 cover, thus cutting out the very high risks.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Can a public authority maintain an official Recreation Ground, as opposed to common land, in the midst of private property and disclaim responsibility for protection of its boundaries? What happens if cricket balls or footballs injure people or damage property on the adjoining land? What of the dog nuisance, cyclist and others users of the Recreation Ground who trespass onto the private land adjoining?

In the absence of express covenants to fence the recreation ground we think that there is no liability on the council to fence it, although you could erect a fence on your side of the boundary line. There could be liability in nuisance or negligence for cricket balls etc. Your best course would be to erect a fence yourselves.

A recreation ground fence

I live in a block of flats, in quite extensive grounds, but on an open plan estate where it is not permitted to erect fences or barriers of any description. One of our boundaries abuts the village Recreation Ground.

Essential user allowance

I use my car in connection with my work for the local council and receive a casual user allowance for this. Last year I claimed for interest on a loan made by the council to purchase the car, for the proportion of mileage used for council purposes. The claim was allowed for 1977-78, 1978-79 and 1979-80. I have now entered a claim for the 1980-81 interest and been advised by the tax office that they made a mistake in allowing the relief because I was not classed as essential user. They are re-claiming the allowance made. Could you please advise if my claim should be allowed? (No part of the allowance I receive as casual user is to offset any interest payments.) If my claim

is not allowable can they re-claim the money after first allowing this? On the question of the tax-ability of even a council officer's essential-user allowance, you will have seen David Wainman's article on Saturday July 18, 1981, as amended, and you should ask your tax inspector for a copy of the free explanatory booklet TR11. "Tax treatment of interest paid."

You should give formal notice of appeal (to the Special Commissioners) against the refusal of your interest-relief claim for 1980-81, and against the additional assessments made to claw back the agreed relief given for 1977-78 to 1979-80. If you are a member of Nalco, no doubt the local officers will be pleased to guide you on the next steps.

Overdeduction of Tax

I have tried to reclaim tax overdeducted from dividends and Government securities in the early part of the 1978-80 tax year charged at 33 per cent. (As opposed to 30 per cent rate determined later.) My tax inspector has refused and sent me a copy of form RA2. Have you any suggestions as to how I might make him change his mind?

As a consequence of the changes to the basic rate of income tax in 1977-78, 1978-79 and 1979-80, there is no simple answer to the broad question you have posed. The rules vary between one type of investment income and another, broadly as follows:

(a) **United Kingdom dividends:** No tax was deducted, of course, (since April 1973) and each dividend carries a

tax credit equivalent to the basic rate of income tax for the year in which it was paid. The figures of tax credit printed on the counterfoils should simply be ignored.

(b) **Gilt-edged interest:** Tax deducted in excess of the basic rate ultimately fixed for the year in question is recoverable from your tax inspector. If he refuses, you should give formal notice of appeal to the Special Commissioners; this should ensure that your file is referred to a senior inspector who understands the relevant law and practice, and that your claim is consequently settled without actually involving the Special Commissioners.

(c) **Building society interest:**

Much the same as for UK dividends.

(d) **Other UK interest:** No repayment of any excess tax is due (in the great majority of cases), because of section 522 of the Income and Corporation Taxes Act 1970, as amended.

(e) **Overseas dividends and interest:** Excess UK tax deducted at the wrong basic rate (or by reference to the wrong basic rate) is recoverable from your tax inspector; the rules are virtually the same as for gilt-edged interest.

(f) **Annuities, trust income, etc.:** The rules vary—in some cases the excess tax is recoverable from the payer, and in some cases no repayment is due. We could advise you on any specific types of income.

Keeping the powder dry...

THE GREATER London Council's aversion to office development in the capital is a fuse under property shares—a fuse under property shares—at least for a few days. But though the excitement fizzled out much like those expensive fireworks the night before the Royal Wedding, it has focused attention on a sector which attracts many small investors.

Houseowners, of course, automatically have a stake in the residential property market but buying a share of the industrial and commercial sector is not quite so simple.

There are around 100 property companies quoted in the Financial Times but like any company the prices of these are subject to a large number of factors: not just the outlook for rental growth. Like investment trusts, for example, property company share prices trade at a substantial discount to their estimated asset values, a feature partly explained by the capital gains tax liability.

At the moment this discount is about 25 per cent on average, though over the last three years this has fluctuated between around 7 and 42 per cent.

Property companies also borrow money so they can either outperform property values or come to grief as many did in 1978, caught out by rising rates.

PROPERTY BONDS—TOP PERFORMERS
Value of £1,000 at end of period. All statistics to August 1 1980

Three years	Five years
Sun Alliance	1,709
Equity and Law	1,665
Lloyds Life Opt 8	1,440
Abbey Property	1,614
Barclays Life	1,599
Average	1,475

Source: Money Management.

Authorised unit trusts are allowed to hold property shares—and there are a number that specialise in this sector—but to get a direct stake in the property market small investors may have to go for a property fund. These are run by most of the leading life companies and can be used to link premium of a regular saving life insurance plan or a single premium in the form of a bond.

Property funds range from the near £500m Abbey Life fund, generally regarded as the market leader, to much smaller funds some of which feature in our table. The most important factor when making a choice is to look for consistently good performance over more than just a 12-month period. And also at the type and location of properties in the portfolio.

The figures in the table, incidentally, do not include the bid to offer spread so as a rough guide about 5 per cent should be knocked off the total. We have not included Trans-

international, which officially holds top place over both three and five years, because at under £1m it is not yet big enough to hold property direct. (The money is invested in shares).

The return on these funds comes through rental income, which is reinvested, and the regular valuation of properties, which is reflected in higher capital performance.

Abbey Life's investment manager Mr Ray Milton, points out that his company actively manages its portfolio and that Abbey is becoming increasingly involved in the financing of property developments. "Some of the best opportunities for future growth are available before completion and as a big fund we can afford to participate in this area," he says.

Taking into account development projects to be signed in the next few weeks, this amounts to around 6 per cent of the portfolio.

Abbey's fund, which has been the most popular of its unitised

funds recently, has around 21 per cent in retail, 22 per cent in industrial, 40 per cent in office and 7 per cent in agricultural property.

A somewhat smaller alternative is the £10m Sun Alliance fund, which has 45 per cent in shops, 28 per cent in offices and 25 per cent in industrial property. Although a relatively new fund, it has been more or less fully invested from the start simply by utilising properties in the main life company fund.

The Merchant Investors fund is managed by estate agents Richard Ellis and now totals around £42m. It is fairly evenly split between offices, shops and industrial property with much of the liquid funds (around 25 per cent at present) waiting to go into two new developments to be announced shortly.

Property has been a buoyant sector for the last three or four years, with the property sector consistently outperforming the FT All-Share Index since 1977.

Yields on prime properties have been static for a couple of years but the feeling in the City is that while prime yields won't go much lower demand will continue to be good for the high quality sites. Much, of course, depends in the end on the scale of the overall economic recovery.

Tim Dickson

PROPERTY

Sanctuary in Sussex

BY JUNE FIELD

LIKE MOST of the rest of the country, Sussex has not had the best of summer weather up until now. Worthing had its driest May since records began at the turn of the century, and in Binstead, west of Arundel, bees were reported on the brink of starvation because they couldn't store any surplus honey to carry them over the "June gap".

Because of heavy rain, a party of Girl Guides camping recently at Stoughton, a downland village north west of Chichester, had to spend the night in sleeping bags between the pews on the floor of the local church. "It was fun apart from the spiders," wrote one of the children in a "thank you" letter in the Stoughton and Racton newsletter which I read when I went to see King Charles Cottages at the side of Racton church.

The 15th century timber-framed cottages are reputed to be the last sanctuary of King Charles II before he fled to France, one bedroom having a plaster of the Stuart coat of arms, plus a small cupboard known as King Charles' Closet. There are two bedrooms in each cottage, with only the south one modernised, so they could be knocked into one. Offers in the region of £75,000 to Mr Nick Neale, Wyatt and Son, 59 East Street, Chichester (0283 788551).

There is a King Charles bedroom at Amberley Castle on the edge of the pretty village of Amberley. The King is said to have refreshed himself at the George and Dragon, Houghton, after the Battle of Worcester in 1651 before going on to spend the night of October 14 at the castle occupied by John Goring. The listed Grade II manor house, originally the home of the Bishops of Chichester, is up for sale with stables, paddocks, herb garden and hard tennis courts, plus two let farms, as part of a 450-acre estate.

The last owner was the late Thomas Emmett who bought it in 1925, and occupied until his death by his widow, Baroness Emmett of Amberley, former MP for East Grinstead, before it came to Mr Christopher Chetwode, Knight Frank and Rutley, 27 Hanover Square, London, W1, and Mr Nigel Bennett, King and Chasemore, Petworth, Sussex.

They tell me that there has already been enormous interest from serious inquirers who like the idea of living in a castle whose walls are 42 ft high and 5 ft thick, only 55 miles from London, yet completely secluded. Driving up over the moat and

through the towered arch is quite an experience.

East Grinstead in the middle of the World War was my next stop. It is between London and the coast on the A22 (the town's population 20,000) motto is "Amid green meadows I stand". An interesting little official guide, bought locally for 75p, traces the history of the place whose "ancient heart remains unspoiled ringed by still expanding modern housing and surrounded by farms, woodland and the great open space of Ashdown Forest". Authors M. J. Leppard and N. R. Collins show that "despite destruction, division or alteration, a great number of important old buildings survive in the High Street, including 14 of the 'open hall' type more than in any other town."

Another character landmark is Sackville College, built for the poor through the generosity of Robert Sackville, second Earl of Dorset providing for the cost in his will of 1609, and still intact today as sheltered housing for local old people. Interestingly, Bolebroke Castle, Hartfield, a short drive from East Grinstead, which was lived in by Richard, Earl of Dorset between 1608 and 1630, and by the Sackville family at various times, is currently owned by Security Trade Investments, a Swiss-based company, is for sale in the region of £350,000 through Mr Stephen Perkins, Hampton and Sons, 6 Arlington Street, London, SW1.

Sir Nicholas Pevsner refers to it as "the substantial fragment of a 16th century brick mansion... the fenestration curiously irregular," which is most apparent when one views the place across the trout and carp-stocked lake. There are nine bedrooms and four bathrooms in the Tudor-style house whose long, thin mellow bricks are similar to those used in Roman times and in some old chateaux in Normandy.

Richly polished quarry tiles are a feature of some of the lofty ground floor rooms, most with their original leaded-light windows. You can hide yourself away in the beamed sitting-room, where a huge oak breussmer, supported by pillars of Sussex sandstone, conceals an ingenious seat.

The main living-room was once a ballroom, added on by the Mann family after 1911, and in the long dining-room there is a massive arched open fireplace, reputed to be the second largest in the country, with a 15 ft 3 in span. A hard tennis court, 15-

acre paddock and two lakes where one may be able to see swans, geese and ducks, plus some woodland, make up an idyllic 30-acre setting, which in the fine weather early this week showed Britain at its best.

Wates Built Homes Heron type development a few minutes walk from the town, off Lewes Road, takes advantage of the appealing natural habitat of trees and shrubs. They were a national award for the NHBC housing award for "The Best Homes in the 70s" and the contours of the land are used to good effect in the siting of houses, roads and footpaths.

The range includes one and two bedroom flats, two to four-bedroom bungalows, and up to six-bedroom houses, designed by Wates architects Keith Gray and Alan Cosh; the exteriors are virtually maintenance free—no painting is required, the softwood window frames are preserved and stained, and external doors are draught-proofed and double glazed, the drainpipes plastic.

The pleasingly styled houses, clad in varying combinations of brick, tile, timber and rendering, are being largely promoted on their insulation qualities, which it is claimed will cut fuel bills by 30 per cent. They are insulated with 160 mm fibreglass, and the walls incorporate half this amount of fibreglass quilt.

A small portion of a wall in a showhouse will often be left uncovered so that you can check the thickness for yourself. Prices for three and four-bedroom houses from £45,950 to £63,950.

At Heron type, show houses are open seven days a week. For details write to Mr Roger Horton, marketing director, Wates, 1260 London Road, SW14 (01-784 5008), who will also supply information on similar housing on other sites. The company is building at Horley, Ascot, Camberwell Green, Stanmore and Orpington as well as Cranleigh, where its latest scheme is for the Retirement Homes Association.

All these enterprising projects are what Wates is putting over as their new image for the 80s. "It is all part of our 'Wates Build With Care' campaign, aimed at a much more discerning customer than in the past," says Roger Horton, who has produced a particularly sensible manual for everyone who buys one of their homes. It explains where to find such essentials as the stop-cocks, what to do if the boiler breaks down, and how to go about replacing a sealed window unit.



Heron type, off Lewes Road, a few minutes walk from the Old Market town of East Grinstead, Sussex, where early maintained, highly insulated 3 and 4-bedroom houses from £45,950 to £63,950

have been built on Wates award-winning tree-lined site. Showhouses open every day (0342 312377), details Roger Horton, Wates Built Homes, 1260 London Road, Norbury, SW16 (01-784 5008).



Bolebroke Castle, in 30 acres at Hartfield, bordering Ashdown Forest in Sussex, is a Grade II listed manor house, believed to be the substantial fragment of a 16th century mansion. The dining-room has a fireplace believed to be the second largest in the country (15 feet 3 inches span), the

sitting-room was once the ballroom, and some of the 9 bedrooms and 4 bathrooms look out across the two lakes, which are bordered by woods and a hard tennis court. Brochure Stephen Perkins, Hampton & Sons, St. James's, London, SW1, who are inviting offers in the region of £350,000.



Amberley Castle, at the end of the pretty village of Amberley, West Sussex, is where King Charles II is said to have stayed the night of 14 October 1651 after the battle of Worcester. The 439-acre estate is for sale through Knight

Frank & Rutley, 20 Hanover Square, London, W1, and King & Chasemore, Petworth, Sussex. In the Queen's Room is a wall-painting of Charles II and Catherine of Braganza hunting in Arundel Park with their respective coats of arms on either hand.

CHESS

LEONARD BARDEN

DURING the last two years West Germany has become in many respects the most active chess nation of Western Europe. The personal interest of Chancellor Helmut Schmidt brought a decision to count chess as a sport with a consequent increase in funds and status. Now, hardly a month passes without an international tournament, and there are a variety of well-written magazines and newspaper columns. The advance of Hubner to the final stage of the world title candidates stimulated the boom, and even his battle with draw against Korchnoi halfway through their match failed to dampen interest.

The young English masters have been major beneficiaries of the West German revival. Paradoxically, our chess achievements have made a greater impact abroad than in this country. The recent Eastford book *The English Chess Explosion* has been reviewed extensively in the West German chess press with an eye to finding out why—Hubner excepted—the English GMs excel their German counterparts.

And excel they do. The point has been rubbed home in the last few weeks by an English treble in the latest German Internationals. First, Jon Speelman was co-winner in Dortmund; Kuzmin (U.S.S.R.), Ftacnik (Czech) and Spelman (England) 8/11. Kuračija (Yugoslavia) 7½. Suba (Romania) 6½ and 7 others. Then British champion John Nunn finished 11 points ahead at Wiesbaden: Nunn (England) 7½, Kindermann (West Germany) 6, Casan (Hungary) 5 and seven others. Finally, Tony Miles was co-winner in a world class field at Baden-Baden: Miles (England) and Ribli (Hungary) 9½, Korchnoi (Switzerland) 8½, Ivkov (Yugoslavia), Unzicker (West Germany), Hort (Czech) and Gheorghiu (Romania) 8, and 7 others. First prize was a Mercedes car. Miles has never before finished ahead of Korchnoi in many attempts. This evidence of British strength has stimulated competition among German and Dutch players to enrol British talent. Keene and Stean are regulars in the Netherlands League, while Port (German champion 1980) have just signed Tony Miles as replacement for Hubner. They will be well satisfied with their new star player's return to world-class form at Baden-Baden.

Nunn's growing status has also gained recognition. He is not defending his Griesenow Grant British Championship this week but will be in South Africa for the Oude Meester Grand Prix where his three opponents are Korchnoi, Hubner and Anderson—ranked 2, 3 and 12 in the world. This week's game (the decider at Wiesbaden) shows that our champion (currently No. 22) is ready even for such a test.

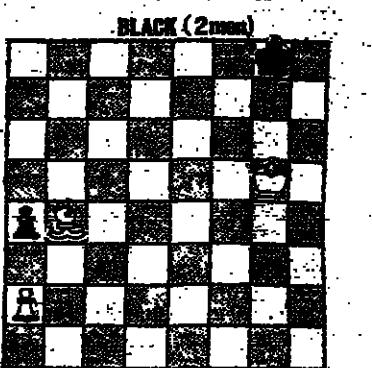
White: John Nunn (England). Black: Stefan Kindermann (West Germany). Modern Defence (Wiesbaden 1981). 1 P-K4, P-KN3; 2 P-Q4, B-N2; 3 N-B3, P-Q3; 4 P-B4, N-B3; 5 B-K3, N-B3; 6 B-K2, Q-Q4; 7

N-B3, P-K3 (unusual but not bad); 8 Q-Q2, P-N3; 9 Q-Q4, B-N2; 10 P-K3 (10 P-K33 might be better), N-KN5; 11 P-KB3. Not 11 B-N1, P-P3; 12 Q-P2, Q-Q4; 13 N-K4, N(3)P1; or 13 R-Q4, B-KR3; with favourable complications for Black.

11... N-B3; 12 Q-N4, N-K4? (weak move). Better game is level; 13 P-KN4, P-KB3; 14 B-B4, B-N1 (if he blocks by P-Q4, White's K-side attack is strong); 15 B-P4, R-K1; 16 Q-B3, B-P3; 17 Q-P2, B-P3; 18 N-K2; P-KN4 (not bad); 19 B-B5! with great advantage; 19 P-B3, N-N3; 20 Q-B3, N-B3; 21 N-N1, B-N1; 22 R-K1, B-K4; 23 R-K1, Q-K2; 24 R-K4, Q-N2; 25 P-B3, Q-R1; 26 P-Q4, P-QB4; 27 Q-Q5! (crucial). The game is blocked. Black has no play, and White can aim for Q at N7 and R8 at Q8 and Q4 to win the QP. But, says Nunn, "I wanted to adjourn to analyse this plan." So he waits for the move 40. Some control or for Black to lose patience and weaken his game further.

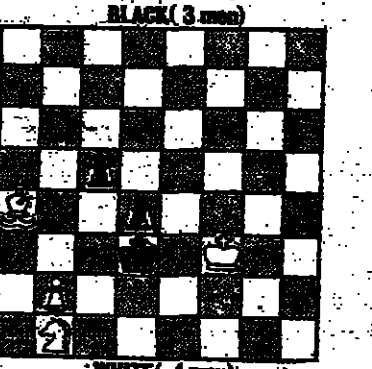
27... R-K2; 28 Q-R1, R-QN1; 29 Q-B6, P-B3; 30 B-B4, R-Q1; 31 R-R2, R-QN1; 32 B-B4, R-KB1; 33 R(1)-K2, R-QN1; 34 R-KB2, Q-B3; 35 R-B3, R-KB1; 36 R(1)-K3, R-N2; 37 Q-Q5, R-QN1; 38 R-B4, P-B4? (sensible). Now the subtle weakness at Q3 and QN5 makes White's win much easier. 39 R(1)-K4, R-K1; 40 Q-B6, K-N2; 41 R-Q3! (threat RxB and R-Q6), B-R7; 42 R-K6, R-R7; 43 Q-B7, Q-K2; 44 Q-R4, P-B5; 45 P-R4, P-R4; 46 Q-R4, P-B4; 47 Q-K3, Q-QB2; 48 Q-QP, Q-K2; 49 Q-N5, Q-QB2; 50 Q-R3, Resigns. Exchange of queens would still give Black drawing chances, but now if B-B3; 51 P-K7! will mate.

POSITION No. 383



King, bishop and rook's pawn often cannot win against a lone king when the bishop does not control the pawn's queening square. White (to move) therefore agreed a draw in this tournament game. Was he right?

PROBLEM No. 383



White mates in four moves, against any defence (by E. Hirst, Dunstable). Solution, Page 16

BRIDGE

E. P. COTTER

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N 764
W 976532
K 74
K J 62
S
Q 976532
Q 52
A 104

This hand occurred in team play from the French international trials. West was the dealer and after two passes East bid one diamond, and South's four spades, which was certainly optimistic, and all-passed.

West led the spade six, covered by ten and Knave, and South won with the Ace. The only hope of salvation lay in the diamond suit, so at trick two declarer led the six from hand, and South's four spades, which was certainly optimistic, and all-passed.

After this analysis, South realised that he could not afford to play an honour from dummy on the first round of diamonds, so he allowed the lead to run to East's right hand, as expected, returned to the Knave, which ran to West's King. Taking the trick, declarer drew three rounds of trumps, then led the diamond Knave, which was covered by the Ace, but that was the end of the defence. The second option instead of returning to the Knave would have been to lead the King, which would have won the trick.

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LEISURE

The biggest island of all

BY LEILAM YOUNG

AUSTRALIA is a land of superlatives: it is the biggest island in the world but also the world's smallest, driest, and oldest continent. The Great Barrier Reef off Queensland is the longest reef in the world.

This island continent is 25 times bigger than the British Isles with a tiny population of 14m, most of whom are under 35. Five in 10 live in the coastal strip, and are attracted by the widely held view that Australians are lovers of the great outdoors. In reality, very few Australians have seen koalas or kangaroos in the wild, nor have many been near a sheep or cattle station. Again, in the realm of superlatives, the world's largest cattle station is in the Northern Territory and is more than the area of England's four largest counties of North Yorkshire, Cumbria, Devon and Lincoln put together. The world's biggest sheep station is Australian, too, and one flying doctor has a practice about the size of Belgium.

Australia is very big, and its size impresses both the first-time visitor and the business-man on his tenth visit. Australians think nothing of flying for an hour or two to an interstate capital, or undertaking rail and road journeys which last days.

The principal entry point used to be at Darwin, in the tropical north, but since the town was flattened by Cyclone Tracy in 1974 the gentle city of Perth in Western Australia, or business-like Melbourne, or glamorous Sydney provide the visitor with his first glimpse of Australia.

The sun shines almost eight hours a day in Perth, but there's more to this homely and easy-going place than sun, sand, surfing and swimming. Perched on the coast of Western Australia, Perth is a boom town with modern shops, attractive parklands and good seafood restaurants that benefit the capital of a state that is only beginning to develop its vast resources of uranium, gold, oil, iron ore and nickel.

A coach tour to Geraldton to see the lobster farms and wild flowers on to the spectacular gorges near Kalbarri, where kangaroos and a native animals roam, or an air tour to the gold towns give visitors from Europe a feeling of space that

few will have experienced before. While car drivers see nothing curious about their number-plates proclaiming Western Australia, as the "State of Excitement" the visitor must go to Sydney for the lively side of Australia.

The Sydney Opera House is a magnificent structure, and drinks on the terrace between acts bring the visitor magically close to the star-studded skies of Sydney. The famous Harbour Bridge illuminated at night, and the twinkling lights of the city, are a sight to behold. The Opera House itself is a masterpiece of modern architecture, and its design is a testament to the city's creativity.

But the harbour is best seen from the ferries which leave from Circular Quay. Outside the harbour are the golden sands of the Pacific Ocean, but northern resorts such as Palm Beach and Newport are a scenic bus ride away. On the harbour side there is a cosy nude bathing at Obelisk and Lady Jane, but the sharks also prefer the warmer harbour waters to the surf beaches of the Pacific.

It is important to Sydney-siders that the famous oysters should be tried by seafood lovers. I have eaten delicious fish and meat dishes at the Pavilion on the Park, Le Café Nouveau, Berowra Waters and the Sebel Town House which is also a good hotel.

Young and brash are complimentary opinions of Australians held by many Britons who have never been anywhere near "Down Under," yet there is a new pride among Australians in their country's early days as a British penal colony. Old Sydney Town, which is a replica of Sydney in 1810, is a pleasant day tour away from modern Sydney. At Paddington, fine 19th century terrace houses with magnificently patterned wrought iron balconies have been converted into smart bistros and galleries.

The Rocks, a stone's throw away from the Opera House, is the birthplace of the nation where Captain Cook landed in 1788 and is now an artists' and craftsmen's colony.

Sydney people rarely describe Melbourne as "the perfect square." Designed on a square grid, it is the capital of Victoria, and is famous for its electric tram, the Royal Botanic Gardens, Treasury and Fitzroy gardens are outstanding as are



Aerial view of Sydney Harbour

the wide tree-lined avenues and the Arts Centre which houses the nation's most important art treasures.

Melbournians compensate for being the second largest city by talking in superlatives. Myer's is the largest department store in the southern hemisphere, the Greek population is the largest outside Greece, and the best breakfasts are those served on fine mornings at the barbecue pits along the River Yarra where friends gather for pre-office breakfasts.

Melbourne has a unique and exciting football game with 18 to the side. During the finals in September the Melbourne Cricket Ground packs in crowds bigger than any at Wembley.

Melbourne invented the BYO (bring your own) restaurants where customers can be served good meals at moderate prices and drink their own wines. British restaurants, sadly, would not want to offer such good value for money.

Within 90 miles of Melbourne there is gold. And plenty of it, although it is unlikely you will find another Welcome Stranger nugget which weighed in at 2,316 ounces when found in 1869. Wherever there was gold the Chinese went, and in Bendigo today lives the world's biggest dragon, the highlight of the town's Easter Fair street parade. Further south are Ballarat and Creswick.

At Ballarat's Sovereign Hill a whole mining town has been reconstructed where visitors can pan for gold with a guaranteed find. Giant mullocks, reminders of the gold rush era when the town's population reached 80,000. Today's 4,000 inhabitants still organise an annual gold panning competition.

Some unique Australian sports that can be seen at Creswick are egg throwing contests, cow pat hurling, nail driving, and beer can tossing.

A favourite summer excursion by car, air or coach from Melbourne is Phillip Island where many of the picture postcard animals for which Australia is famous live: koalas, kangaroos, seals, wombats, mutton birds, and fairy penguins which waddle in the sea by the thousand at sunset to their burrows in the sand dunes.

For the more ambitious traveller there is the Great Barrier Reef which stretches along 1,250 miles of the north-east coastline. Millions of minute polyps form a magnificent coral reef. More than 600 islands dot the sea on the sheltered side of the reef, and accommodation varies from luxury hotels to modest lodges on islands with such picturesque names as Lizard, Dunk, Magnetic, Happy, Heron and Orpheus.

The true traveller will want to sample the famous Outback and sit on the legendary Black Stump. Train enthusiasts can ride the Indian Pacific and the world's longest stretch of track of 300 miles without a single bend. Linking Perth to Sydney the 2,500 mile journey takes two and a half days. Or the lover of the great Australian outdoors will fly to Alice Springs and spend a night at Ayer's Rock, a gigantic monolith with a girth of 5.6 miles.

For one-upmanship it's better to have climbed the chameleon Ayer's Rock whose colour changes dramatically with the light, then to have been to Timbuctoo.

The Rock and Alice are at the choice of pre-booking accommodation or not. So do those of Friendly Travel, a small specialist operator in motoring holidays to Romania. For those taking their own car, for example, this organisation has a £90 package covering 11 nights' first class accommodation with half board, 150 litres of petrol, visas and resort taxes.

In this case accommodation must be pre-booked; but hotel coupons costing £10 per day cover half board and 5 litres of petrol, and offer complete freedom of movement for those that want it, while still more than fulfilling the daily minimum expenditure regulation.

Further information: Romanian National Tourist Office, 92-99 Jersey St, London SW1; Global, Glen House, 200 Tottenham Court Rd, London W1P 0JP; Sunquest Holidays, 43/44 New Bond St, London W1Y 9HB; Pelitours, 156-162 Oxford St, London W1N 9DL; Friendly Travel, 77 Green St, Chorleywood, Herts. WD3 5QS.

the "Red Centre" of Australia, but Darwin is at the "Top End" of the Outback, a stunning concept of immensity, primitive vastness and tropical splendour. The area is six times the size of Great Britain, and huge cattle stations exist among the spinifex, scrub and banyan trees. After heavy rains millions of brilliant wildflowers spring from the inhospitable land.

One of the great pleasures of Darwin is to lie back on a deck chair under a tropical night sky at a "drive-in" cinema called "passion pits" by the locals, and watch vintage Hollywood films which look good on the wide Outback screens while drinking cold lager or chilled white Australian wine and munching pieces of barbecued chicken.

Australia is young, but it is exciting for those who do not prejudice it or compare it to "back home." That, to Australians, is unforgivably insulting. Take the old with the new, and give it a go: that is what Australians expect of the visitor.

So, you can stay in quaint 19th century hotels in old gold mining towns or sleep in a Hilton. There are aboriginals and their bark paintings, and carved boomerangs, ballet and sculpture, sheep stations to visit and exclusive boutiques. The wines are excellent and the cuisine very cosmopolitan.

There are river cruises and surfing, snow and water skiing (on the same day if you feel like it), Adelaide and the Barossa Valley vineyards, orderly Canberra, the capital, Hobart and the island state of Tasmania are green and apple-bearing; Brisbane sits astride the Tropic of Capricorn and the mud crabs are superb with a green salad.

The good old days

MOTURING

STUART MARSHALL

WHAT is a car to you? If it's an agreeable alternative to public transport, a business tool or just another domestic appliance, turn the page, because I fear the Panther Lima will make no kind of sense at all.

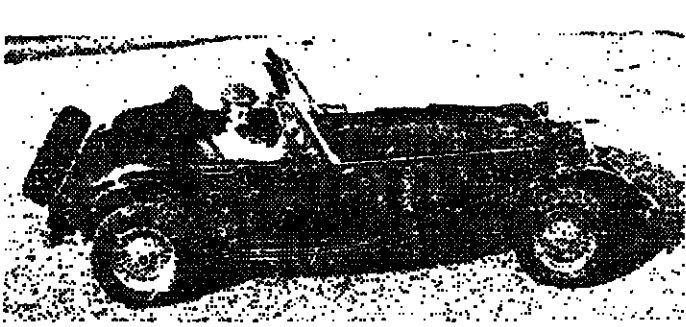
It is calculatedly irrelevant to the motoring needs of 1981. In shape and style it calls to mind the old days when young bloods wore cavalry twills and blazers and (daringly) knotted cravats instead of club ties as they drove their open two-seaters.

It has no luggage room to speak of, is so low slung that a telephone number cover I have never even noticed before at the end of my drive came into contact with the exhaust system. With the hood up it must be like trying to drive a car from inside a Gladstone bag.

But let the sun blaze down, as it did during my week's test. Furl the hood and shove it in the bundle behind the seats, head out of town to where you breathe the smells of the countryside, not traffic fumes, and be prepared to be entertained. In 300 happy miles I found the Lima an automotive equivalent of the wind surfing board or hang glider. Something one uses for fun and for no other reason. In short, a real sports car.

The catalogue tells you it has a 2.3-litre four-cylinder engine (a Vauxhall actually) producing 108 hp at 5,000 rpm. Most of the running gear—the front and rear suspension, gearbox and steering—is from the Vauxhall Magnum, too, but you wouldn't know it when you floor the accelerator. With a bellow like a 50-year-old Bentley three-litre the Lima rockets away to reach 70 mph in less than 10 seconds. The top speed is said to be over 115 mph, but the cockpit, which is surprisingly tranquil at the legal motorway maximum, is buffeted as though by a hurricane at three-figure speeds.

The ride is not too bad on smooth roads, but the fat 70 series tyres on wide rims thump noisily into potholes. The Lima will corner like a go-kart, again



The Panther Lima looks like a classic sports car of the 1930s but the power train and running gear are modern Vauxhall

on smooth surfaces, but a fast, rough road reveals that it has a mind of its own.

A sliding tail, though, is quickly recovered because the steering is so direct. Brakes, gearshift and clutch are all as easy and effective as one expects of a modern car. The Lima is simple to drive—providing you are tall enough to see along nearly six feet of bonnet and remember that the low seating position further restricts one's forward vision. Overtaking on an undulating road calls for care.

Panther Car Company, which makes the Lima, is known throughout the industry for high quality. (Its £67,000-plus V12 De Ville is a pop star's alternative to a Rolls-Royce.) The Lima—from about £9,000—is beautifully made.

It feels as solid as a rock, with none of the scuttle shake that plagues some convertibles; the paint is lustrous and looks as though it was rubbed down

by hand between each coat. The interior, with leather trim, tailored carpets and wood veneered fascia and door tops, smacks of quality. There is a glove compartment in front of the passenger which would just about hold a pair of gloves or a packet of cigarettes, but not both.

A full set of instruments and warning lights are in front of the driver. The trouble is he can't see them without peering under the padded lip of the fascia, unless he is less than five feet tall—and then he wouldn't be able to look along the bonnet.

Any of the 330 Vauxhall dealers in Britain can service the Lima, which will do about 26 mpg if you meander along, enjoying the view, but nearer 21 mpg if you are enjoying its performance. If I had a million, I would gladly make room for a Lima in my motor house—to be used only during Royal Wedding weather.

Safety in the car

SO MANY people are now buying petrol by price that they are running out of it while trying to find a garage offering a couple of coppers off. Should their tank run dry on the motorway, it can be exceedingly expensive. A gallon of petrol, plus the garage's charge for bringing it to them, can cost £35 plus a classic case of being penny wise and pound foolish.

The answer, obviously, is to carry a can in the boot—but not a thin, tinplate oil can and most emphatically not a plastic container like those used for fruit drinks. They are dangerous and illegal and no self-respecting garage will put petrol into one. By far the best kind of emergency petrol container is the ExploSAFE protected can, manufactured by former rally star Paddy Hopkirk's Mill Accessory Group and available everywhere under various brand names.

Petrol is safer in one of these cans than it is in the car's tank

because the interior is filled with a microscopically thin aluminium mesh which carries away heat instantly. The principle is like that of a miner's safety lamp. Even an incendiary bullet fired through an ExploSAFE-protected can will not make it blow up.

So why not put ExploSAFE inside the car's petrol tank, too? A good question—and the answer is that it would add to the cost and would complicate matters because it has to be installed while the tank is in two halves. Which is a pity because it would greatly reduce the likelihood of a car catching fire after a crash.

Although fire is a factor in 1,000, fear of it is one of the main arguments used by the anti-seat-belt lobby. Expert opinion discounts the danger, but the fear won't go away even when seat-belt wearing becomes compulsory.

By car in Romania

BY SYLVIE NICKELS

TEN YEARS AGO when we first visited Romania by car, there was an element of adventure about a high proportion of the roads. Indeed, a Romanian Automobile Club booklet gave due warning regarding routes "characterised by sinuosity and declivities." But what sinuosity and what declivities! The Carpathians are superb and, what's more, they are still almost totally unspoiled.

One road through the Apuseni mountains, I recall, had actually found its way on to a map before they had finished building it. We ended up with a punctured tank and spent the night catching the precious drips in a bowl in order to pour them back into the tank again. Next morning, a couple of miles down the road, a gang of road workers repaired the damage with great good humour and no charge—an attitude which characterised virtually the entire rural population of Romania.

We found ourselves involved in family funeral celebrations, taken on an inspection tour of a village clinic, conducted like prize exhibits from one beautifully decorated home to another, plied with food and drink, and swamped with the kindest curiosity. From the exquisite 18th century wooden churches of Maramures via the monasteries of Moldavia to the labyrinthine road back to the Danube delta, the friendliness was remarkable, the hospitality often overwhelming. It was only when we reached the

Black Sea coast we began to feel like ordinary mortals again and sank back inconspicuously into the tourist crowds.

A lot has changed since then, though not the rural friendliness. To begin with there are far more better roads, as it were, not to mention a great number of hotel beds. Foreign number plates are no longer objects of wonder, though GB plates are still pretty thin on the ground—not surprisingly for it's a long, long haul across the European map to get there. This potential hindrance can be avoided by booking one of the quite flexible fly-drive arrangements now available. For I remain convinced that, unless you are irrevocably wedded to sun, sea and sand, the rewards of exploring the magnificent interior of Romania with its vivid folk culture are infinitely greater than sitting on any Black Sea beach.

My friends in Romanian tourism are already familiar with my views on the irritating regulations according to which visitors must spend the equivalent of \$10 per day throughout their stay, and pay for petrol with coupons purchased in hard currency.

It is a dual irritation since it means that, if you are not on a pre-booked fly-drive, you must in advance how long you intend to stay in Romania (and independent travellers take less kindly to inflexible pre-



The monastery of Biserica Neagra, Brasov

planning than most) as well as calculate the amount of petrol you are likely to need across unfamiliar distances. The fly-drive package overcomes much of the irritation since it covers not only the return flight and car hire with unlimited mileage but also vouchers for half board throughout your stay and quite a handsome allowance of free petrol (usually about 10 litres per day). Thus you fulfill the minimum daily expenditure obligation and are saved the mathematical headaches of converting petrol costs via dollars and kilometres per litre into sterling and miles per gallon.

Additional petrol, of course, can be bought (with hard currency coupons) above your free allowance.

There are quite a few variations on the fly-drive theme. Global, for example, feature a week's self-drive combining the lovely monastic country of Moldavia with a brief visit to the watery wilderness of the Danube delta. The cost at the

height of the season is around £200 and for another £60-£70 you can tack on another week of full board on the Black Sea coast. Sunquest offer a similar arrangement, minus the Danube delta and the monasteries, but with more time in Bucharest and featuring the splendid towns of Sibiu and Brasov as well as much Carpathian splendour.

In these cases, accommodation is pre-booked, but with some arrangements it is possible to set off, armed with your accommodation vouchers and take pot luck. My only word of warning is that most hotels I have stayed at are better geared to the needs of the group who, therefore, tend to get priority of service. However, given a little patience and goodwill, the possible frustrations are more than compensated by the freedom of stopping as and when you wish, and the greater contact that results with both the country and its citizens.

Pelitours' packages give you a sedg in front of the rise I hooked and landed a grayling about half a pound and that was that.

The next evening was even more beautiful and romantic and there were a few fish to be seen rising in some fast water a fair way out from the bank. As far as I could see they were taking a big fly, probably a hatching sedge, but although I dropped the fly around them time and again they never offered to take at all. The trouble here was probably drag. They were too far away to cast up to them and I had to drop the cast across a fairly fast current.

I tried the old trick of checking the line as it dropped on the water, making it fall in a zig zag which allows the fly to float naturally for a second or two but in the increasing gloom I could not really see what was happening. I gave them best and let the line float away in the stream as I reeled

in: the fly was immediately taken by a big fish which took off the slack at a great speed, went round a patch of weed and left me empty handed.

I wandered upstream and came to a solitary fish rising steadily between two very stout reeds in mid-stream. He wasn't very far out and did not seem to see me while he splashed around eating his supper. A big fish, probably a rainbow. It was a tricky place, there was as much chance of catching the reeds as the fish and he could easily break away by swimming around them if hooked.

This is exactly what he did, and so I came home empty handed. The two evening rises were not even as productive and I have to report that the fish I caught in July were in the middle of the afternoon when it was cold enough for sweaters, casting against a horrid wind and making enough splash to frighten everything away.

The trouble with trout

FISHING

JOHN CHERINGTON

MANY YEARS AGO a friend said to me: "John, if you want some good advice, don't take up salmon fishing, stick to the dry fly." Salmon fishing is such an addiction that you will lose the appreciation for the skills and surroundings of dry fly rivers. He was abundantly right. I have almost at my door, some of the best dry fly water in Britain, probably the world. But I can be enticed away from it by a half promise of a day at the salmon in even the most unpropitious of rivers and when the weather condi-

tions are frankly impossible. But I haven't neglected the Test completely lately. The most wonderful hot days of late July gave promise of an evening rise. When the air is still and the river like glass, sedge and other flies are all rising to the surface and being attacked by ravenous trout. This while the sun is setting behind the Western downs and the whole landscape is bathed in a romantic glow.

The river is in fine condition. Plenty of water and good weed growth, and is now becoming clear enough to see the fish; an encouraging sign when things are quiet but has the drawback of allowing the fish to see the angler as well. The past few evenings I have been there, all these circumstances were propitious except that there was no

real evening rise at all. At least not as I remember when the water in the last hour of twilight would be boiling with fish, not necessarily catchable, but exciting to drop a fly among.

The first time I sat by the best pool on the beat, where I had seen fish moving below the surface while the sun was still up, I waited and waited and waited. When almost dark I did see a rise, a delicate movement of the surface as if some monster of the deep had placed itself to suck in the unwitting fly as it passed over its head.

I should have been warned perhaps by the large bubble that appeared after each rise and drifted away downstream. I have occasionally seen the bubbles from trout but in general they are made by grayling. Anyway after dropping a

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BOOKS

Mr Galbraith's fatal fluency

BY JOE ROGALY

A Life in Our Times
by John Kenneth Galbraith.
Andre Deutsch, £7.50, 363 pages

Shortly before he set off to become President Kennedy's ambassador to India, John Kenneth Galbraith attended a dinner in honour of the 25th birthday of *Life* magazine. He found himself alongside the Duke and Duchess of Windsor, "who in those days could be purchased for an appropriate subsidy to grace such occasions." The Duke assured him: "you will find the people most agreeable in their own way. They have been most uncommonly decent to my niece."

It is a pleasing anecdote. There are many others in these memoirs which, properly for a writer who wants above all to be widely read, are presented in brief takes, each a printed page or so long with three stars separating them out, so that one need never concentrate for more than about 90 seconds at a time.

Here is another sample: In 1946 dollar spending by GIs in occupied Germany was too ostentatious to be tolerated. So a large recreation centre, Truman Hall, was opened for the soldiers in Zehlendorf. Dollar pay was held back: the men were given chits to spend in the American bars and PXs that could be found inside the hall. "In honour of the new and unpopular medium of exchange, Truman Hall promptly became known as Harry's Chit House."

Professor Galbraith's memoirs are rarely introspective. Ostensibly they tell little about the man, and virtually nothing at all about his family or private life. But his style of writing, his accumulation of anecdote and incident, and the occasional give-away phrase, tell a great deal. His self-esteem is legendary: he repeats the tale first told in his record of his time in India, *Ambassador's Journal*, of his complaint to Kennedy that the New York Times had called him arrogant. "I don't see why not," said the President, "everybody else does." But if this quality is an irritation for others, it also explains, perhaps, a central motivation: to be well-known.

This is not surprising for so clever a man with such obscure origins. He was brought up on a farm in southern Ontario; as a boy he had little sense of poverty and none of inferiority. "The Galbraiths were regarded, we believed rightly, as being more intelligent than others." He graduated from Ontario Agricultural College in 1931 and ten years later, although a Canadian from nowhere, was put in charge of the control of wartime prices in the United States. The intervening decade had been spent at the University of California at Berkeley and at Harvard, Cambridge (England), and Princeton, collecting jobs and anecdotes along the way. On a side-trip to the LSE, for example, he learned how economists could never agree when Professor Hayek arrived at a seminar one evening, bowed, and in his polished accent said: "Now

gentlemen, as I proposed to you at our last meeting, we will on this evening discuss the rate of interest."

Nicholas Kaldor saw the opportunity and said: "Professor Hayek, I really must beg to disagree."

The first job Galbraith collected in Washington came in 1934, when young economists everywhere realised that with the coming of the New Deal they had merely to arrive on the banks of the Potomac to be given work in a federal agency. He started in the Agricultural Adjustment Administration and never looked back: his life since has been a matter of commuting between academic responsibilities and long leaves of absence on Government work—with one exception during which, as a *Fortune* writer, he was trained by none other than Henry Luce to perfect the prose style that put so many of his books (not just *The Affluent Society*) on the best-seller lists.

The writing, the "fatal fluency" as he himself calls it, was always what moved him forward. In California he learned that publication, "even on so esoteric a subject as the preferences of consumers for orange blossom honey over sage," was a prime measure of academic worth. In Washington he found, repeatedly, that he who could write clearly was given the writing to do; he who controlled the draft in large measure controlled the policy. The idea developed. A manuscript, "The Selection and Timing of Inflation Controls," by the young Galbraith was

widely circulated in Washington at the start of the war and helped him to his job as head of price control (although, after a brief experience of putting its ideas into practice he was obliged to dump his manuscript and return to the more orthodox policies of Bernard Baruch).

A postwar book, "A Theory of Price Control," was well reviewed but little read. "One could spend one's life producing professionally well-regarded books that would go extensively unread." This would not do for the tall young economist who longed to be seen. "I decided that henceforth I would submit myself to a wider audience." He has produced 22 books, including two novels; some (*The Affluent Society*, *The New Industrial State*, *Economics and the Public Purpose*) on his own view of modern economies—and others on his life (*Ambassador's Journal*), or one-offs (*Indian Pointing*). Their overriding characteristic, as in his famous ambassador's telegrams to Kennedy, is readability. It is important to be right, but possibly more important to be noticed.

His memoirs reflect this. Professor Galbraith has in his lifetime met and come to know the great majority of important people on the Left in British and American politics, and not a few in western Europe and elsewhere. He has been present on momentous occasions: assessing the effect of strategic bombing in World War II, interviewing leading Nazi war criminals; assessing the Japanese postwar economy; fighting presidential



His central motivation was to be famous

campaigns with Stephenson, John Kennedy, McCarthy, McGovern; serving Democratic presidents from Roosevelt through to Johnson; leading Americans For Democratic Action (which is roughly equivalent to leading the Tribune Group in the British Parliament); starting before most others in the campaign to end the war in Vietnam. He believes he helped to stop the incipient Indo-Chinese war following border clashes in 1962.

We get all of the above in his book, plus a nice story on every other page (President Johnson in the mid-sixties: "Did you ever think, Ken, that making a speech on economics is a lot like pissing down your leg? It seems hot to you, but it never does to anyone else.") We get absurd intimations of self-esteem, like association-by-juxtaposition of Galbraith with Keynes or John Stuart Mill. What is not provided is serious information about the American Left, which might help explain why, under Reagan, it is now so deeply in eclipse.

Monkey puzzles

BY ISOBEL MURRAY

My Secret Gorilla
by Anne Christie. Piatkus, £8.50, 201 pages

Dames
by Elizabeth North. Jonathan Cape, £6.95, 274 pages

The River Running By
by Charles Gidley. André Deutsch, £8.50, 300 pages

Dying, in Other Words
by Maggie Gee. The Harvester Press, £7.50, 214 pages

The heroine of the first novel, Kate, is a portrait painter, like Anne Christie, and her husband, Ben, is a dramatist, like the late Jack Ronder.

What makes the novel delightful to read is not the situation so much as the personality of Kate. We warm to her early on as she reveals her lack of domesticity, and her ambivalent reactions to two young children. Torn between her devotion to painting and the care of a young family, she has one friend, who expresses all her frustrations for her secret gorilla, Queen Kong.

The story is simply itself: in a messy, undidactic Edinburgh house live the two artists, their children, an au pair called Simone, who is more trouble than she is worth, and the gorilla, invisible to all but Kate. Kate and Ben are both frustrated in their artistic pursuits, but very happily married. In the course of the novel, Kate paints and has an exhibition. Ben is diagnosed to be ill, and they fail to go to India.

Simplicity itself perhaps, but when you try to summarise it, it escapes. This is a book which will strike a chord with anyone who has ever known the longeurs of young motherhood, even by observation. Its essence is its unflinching grasp on the comic: the most intolerable experiences are quite transformed in comic retrospect.

The most disarming quality of the book is an absence of anything like literary style—Kate's voice is always conversational, the book like a confidential talk to an understanding friend. We meet a

considerable cast of characters in the casual kind of way that happens in real life and Queen Kong, the alter Ego, is a rich creation—as, you might say, it happens in real fantasy life. I look forward to more novels from Anne Christie.

Dames is a much more complex kind of book, telling different life stories in parallel. Essentially, it is a school story, with all the attractions of that genre, but it is a story which follows girls into their future lives and traces earlier histories intricately.

The "Ambers" are a group of nonconformers at school, dismissive of the "Worthies," whose values are more conventional. The Ambers we follow up are basically two, Erica and Hilary (Monsey). Erica was always a living dangerously, and she escaped from school for a night of passion in a car with what turned out to be her husband. In later years her daughters (who didn't go to school) both leave home to follow a guru to California. Monsey has a less dramatic future with one sad love affair in her thirties, and a broken heart to forget about in the Ethiopian mission loosely connected with the school.

Entwined in all this is part of the story of Miss Bedford, headmistress in the time of the Ambers. She too went to Ethiopia and she had an interesting affair with the widower of her first husband, who was 40. But the main character in the book is perhaps the school itself, with its peculiar atmosphere, lack of rules, idiosyncratic staff. Elizabeth North has chosen a difficult and complex structure for her book, but she handles it with considerable poise and ever ready wit.

The River Running By is a first novel by a writer with considerable experience of writing for television. It is a long and leisurely family epic, interestingly set in the British colony of Oporto. The Portuguese setting is deftly handled, and the family port wine business makes a new background for fiction.

Charles Gidley's characters are pursued by destiny, over many years. Bobby Teepe is a

generally sympathetic character, but he has one guilt he cannot escape, his rape of a local fish-girl, Natalia. Bobby deserts Joy to marry Ruth who, by a tragic accident, has lost her true love, Ruth dies, and Bobby marries Joy at last. Ruth's daughter Stella is a wilful girl who spurs him to return to Natalia's son, Eduardo. Tragedy looms again when Stella wrongly believes she and Eduardo are brother and sister. This is a complex and lengthy tale of perhaps a rather old-fashioned kind.

Maggie Gee's *Dying, in Other Words* is quite the reverse. It is experimental and puzzling, buffeting the reader with unexpected twists and turns. It begins with the naked corpse of Moira who has fallen—or been pushed—from her attic window. But instead of pursuing the death, the book looks in turn at those living around Moira, all apparently to die similarly shocking early deaths. And suddenly we discover that Moira may not be dead after all, that the writer of the novel, who may indeed be Moira, is typing something in that upstairs room, which may indeed be *Dying, in Other Words*.

As the jacket informed us, Maggie Gee has done an M.Litt. on Surrealism and a Ph.D. on the 20th-century novel. It is interesting to see a theorist of the most modern fictions practising in the field. I found it puzzling, but somewhat fuller of life than some experimental novels I have read.

Cricketer for all time

BY KEVIN HENRIQUES

W. G. Grace: His Life and Times
by Eric Midwinter. George Allen and Unwin, £9.95, 175 pages

It is almost certainly true that no other personality in British sporting history has been so exhaustively written about as the Olympian figure of W. G. Grace. The black-bearded colossus, the embodiment of strength and virility, bestrode Victorian Britain to

an extent that he epitomised the age even more than the Queen herself and the other eminent Victorians. As Eric Midwinter writes in this latest appreciation, "his [Grace's] career spans the upsurge, climax and decline of the greatness of Victorian Britain."

At this distance there is palpably little new information that can be unearthed about the public and private life of Grace. So Mr Midwinter takes a fresh view of W. G. from the stand-

point of his place in the history of the day and his importance nationally and imperially.

With his great bulk W. G. Grace personified the spirit of the times, the mood of the people. He was unique because he did not come from a wealthy family or have a high-born pedigree. Mr Midwinter rightly emphasises that Grace, though a god, was never a remote one: inevitable reality because of his constant contact with the public as a doctor, notably 20 years

spent in general practice in Bristol. Grace's humanity and essential genius is touchingly illustrated by the story of his scoring 221 not out after a sleepless night attending a difficult maternity case.

Generally author Midwinter is never less than compelling when viewing Grace from fresh aspects such as the moral issue in his being a well-reimbursed amateur—Grace serves as a reminder that the Victorians were no less

commercially minded than, say, Kerry Packer," and the too often forgotten but quite astonishing fact that Grace did not captain England until he was in his 40th year.

Cry for Argentina

BY HUGH O'SHAUGHNESSY

Prisoner Without a Name, Cell Without a Number
by Jacobo Timerman. Weidenfeld and Nicolson, £7.95, 164 pages

Portrait of An Exile
by Andrew Graham-Yooll. Junction Books, £9.95 (hardback) £3.50 (paperback), 128 pages

I still feel the shame and embarrassment of the occasion. In the middle of the rule of General Jorge Videla in Argentina one of his senior ministers came to London and was invited to speak at the Royal Institute of International Affairs. After his address someone in the audience put a question to him about reports of torture and the widespread violations of human rights in Argentina, which the minister gave a long, rambling and evasive reply, almost longer in fact than his initial address. The shame and embarrassment came when the Chatham House audience gave him a resounding ovation for what had been a masterly piece of obfuscation. Was the audience taken in or was it totally uncaring about the barbarities

being committed in Argentina at that time, barbarities which followed from the chaotic brutality of the last Peronist Government?

No one who reads Jacobo Timerman's book will be able to plead ignorance in future. The first-hand account of the suffering of one of General Videla's prisoners, and a lucky one at that, who is still alive and whose immediate family is unharmed, sets out the fact about the revolting police methods used by Videla in the same way and with the same power as Dr Sheila Cassidy chronicled her torture by General Pinochet's regime in Chile. The account of the physical and mental sufferings of an intelligent and sensitive man, an editor of brilliant genius, are almost too horrifying to read. But in the end Timerman has produced something of a flawed book for he has not been totally truthful to his readers. He was, and remains, a man of the world, a survivor from the shark-infested political seas of Buenos Aires. He is less than frank about the connections he him-

self had with extremists of both sides and their agents. While presenting himself as a man of the democratic centre he draws too thick a veil over the times when he backed military aspirants to power against civilian authority. In being less than frank about his own history he is in danger of alienating the supporters of the Argentine military to gain points. Could it not be said that he over-emphasises the undoubted anti-Semitism of the Argentine military as a factor in his persecution by his downplaying of his more shadowy connections?

Why, for instance, is his relationship with David Graiver, said by many to have been the banker of the Montonero guerrillas, not alluded to? To make these criticisms of Timerman's book is to do nothing to condone the barbarities to which he was subjected and to which no human being should be subjected any other human being.

Despite faults of authorship exacerbated by a fumbling translation Timerman's book is an extremely significant work,

comparable to the best writings of some of the Russian dissidents or the accounts of survivors of Hitler's rule.

Andrew Graham-Yooll's is a smaller but less flawed book which will become a classic document about 20th century Argentina. Graham-Yooll, now on the staff of *The Guardian* in London, was for several years in the 1970s news editor of the Buenos Aires Herald, the excellent English language daily of the Argentine capital. Like his editor, Robert Cox, and many of his colleagues he was literally in the line of fire of the various extremist murder squads which were extremely keen that whatever the newspaper printed it should not include the true facts of the political chaos of the Peron and Videla periods.

With great liveliness and with an honesty which is all the more to be admired because it does not always show the author in the best light Graham-Yooll distills the quintessence of how aware Argentine lived in those days of violence. It is a small masterpiece.

The Role of South East Asia in World Airline and Aerospace Development

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Italian draughts

BY EDMUND PENNING-ROWSELL

Vino: The Wines and Winemakers of Italy
by Burton Anderson. Hutchinson, £9.95, 568 pages

The Making of Scotch Whisky: A History of the Scotch Whisky Distilling Industry
by Michael S. Moss and John R. Hume. James and James, £13, 303 pages

Guide to Visiting Vineyards
by Anthony Hogg. Michael Joseph, £7.50, 240 pages

The enormous variety of Italian wines, over 200 of them DOC, and most of them unfamiliar to the outside world, makes a book on them exceptionally difficult and laborious to compile, and usually very dull to read. Burton Anderson, an American living in Tuscany, must have taken years to travel from the Val d'Aosta to the tip of Sicily for his method was to get to know at least one grower in each district or part-district

to taste his wine and relate his views on wine-making, and then expand into the area. Other growers and merchants are referred to, and a recommended list, together with vintage notes, appended. This certainly makes a more engaging book, and a very useful one to terra largely ignorant.

Although properly enthusiastic, he is not uncritical. For example, he outlines the problems of Chianti, and discusses the controversial standing and price of much Brunello di Montalcino; and, like others, expresses doubts as to whether the noble di Montepulciano should be as yet Brunello, Barolo and Barbaresco among the first "garantiti" wines.

As one who has made many but brief excursions into nearly all the Italian wine districts, I can only admire Burton Anderson's thoroughness and generally agree with his comments. I would only have welcomed more detailed descriptions of the style of many of these little widely-known wines. It is a book for all seriously interested in Italian wines.

The Scotch whisky industry has not lacked authors in recent times, but understandably they have tended to concentrate on describing its production and the distilleries, and to devote most of the history to the dramatic highlights: the illegal distilling, the activities of the "whisky" barons, and the "what is whisky?" case that early this century officially led to the acceptance of blended whisky. However, to celebrate the centenary of the Islay lock-side Bruchladdich distillery, Michael Moss, Glasgow University lecturer, and John Moss, Strathclyde University history lecturer, have collaborated to produce the first comprehensive, balanced account of a fascinating industry, told in great but not tedious detail.

So there is a record of the substantial legal as well as illegal distilling, and it can be seen that the legal Lowlanders hated the illegal Highlanders as much as the others did the Government excise men.

Then, the founding of the later all-powerful DCL in 1877 was a defensive move of six of

the largest grain distillers. Scotch whisky has been so much of a success story since the last world war (it attenuated just now) that it is difficult to remember that it was in slump from 1900 to 1945. This is a solid book, full of facts, figures and names. Perhaps like the best malts it needs taking in small drams. It is excellently illustrated, with pictures of almost every distillery, some of them from old photographs.

Scottish distilleries are included in the revised, enlarged edition of Anthony Hogg's invaluable *vade-mecum* (yes, literally!) to those cellars and estates on the Continent from France to Hungary, as well as those within Britain, willing to receive visitors. More than an annotated list, it tells how to reach the various regions where the open-door cellars and properties lie. With an increasing number of holiday-makers taking to visit and taste the local products and to take advantage of the growing facilities for *vente-directe* at cellar-doors, this new edition is a bargain.

In short—Sci fi

BY RAY LARSEN

Beetle in the Anthill by Arkady and Boris Strugatsky. Collier Macmillan (Best of Soviet SF series) £5.95, 217 pages

Science fiction seems to have established an enclave in the Soviet Union where it is allowed to develop bold ideas which

would not be tolerated in other branches of literature. The Strugatsky brothers are already well known in the West and this novel ranks with their best.

A government agent is on the trail of a group of foundlings reared from fertilised eggs discovered in an incubator which has lain buried for thousands of years. On the surface it is a

straightforward thriller but at a deeper level raises profound ethical questions of the relationship between the state and the individual. Should the authorities allow these possibly dangerous beings to develop or should they liquidate them?

The Visitors by Clifford D. Simak. Sidgwick and Jackson, £7.95, 282 pages

Simak is back on top form with this ingenious account of aliens landing in rural America. The visitors have arboreal

origins, enigmatic black robes which start chewing up the Minnesota woodlands. Unfortunately they use this as the raw material to churn out a stream of perfectly manufactured cars and houses, an act of misguided gratitude which brings the U.S. economy to a halt. Simak will no doubt be criticised for once again setting his story in the America of the 1940s and 1950s. But in fact this *Valley* does ground cleverly highlights the gross ignorance of the

HOW TO SPEND IT

Food for summer parties

BY JULIE HAMILTON

SOMEHOW or other I have to conceal the Financial Times from my husband today, for tomorrow I am throwing a surprise party for him to celebrate his birthday and our wedding anniversary. He will know nothing about it until the guests arrive. This is made possible by the fact that he works in Glasgow and returns home early Sunday morning exhausted and goes straight to bed till lunch-time. There will be about 30 people for lunch to awaken him! (If any friend of his is reading this please do not let on).

Entertaining a large number of people without any help is quite a challenge particularly if you want to make the occasion extra special. Maybe the easiest way is to make it a cold buffet, more about that later. On the other hand one sensational dish surrounded by simplicity is not too difficult, and in my view, more exciting.

Tomorrow my centre-piece will be saddle of lamb. A year ago the New Zealand Lamb Marketing Board introduced a new method of jointing its lamb. Among the new cuts were butterfly chops cut from the loin and best end.

This gave me the idea that it would be possible to have the butcher cut a whole saddle into thin butterfly chops and then tie it back into the original saddle form for cooking. (To serve you just cut the strings and help yourself, no carving). It is possible for the butcher to vary the thickness of the chops to your requirements. He can cut through the bone getting at least 12 butterfly chops from one saddle.

English lamb is rather good value at the moment so that is what I shall be serving. I cannot pretend that this is an economical dish for a large party, but I can assure you that it is very impressive. I am cooking three saddles. One will be pink and the other two well done, as I know some people cannot face underdone lamb.

Long slow cooking also brings out the flavour beautifully. If we were having a summer like 1976 I should build a large temporary brick barbecue in the garden and cook outside. Also this summer is very beautiful.

If you have only one oven the cooking of three saddles could pose a problem, but it is not impossible providing you have somewhere to keep one hot while two continue to cook. To cook two at once, start with one saddle on the top shelf of the oven at gas mark 7 (425°F) for 15 minutes to seal it, then move it to the bottom shelf and put the second one on the top.

After a further 15 minutes reduce the heat to gas mark 6 (350°F) and cook for two to two and a half hours depending on the size of the saddles. Change their positions every half hour. Thirty minutes before cooking is completed spread apple and mint jelly, or plain mint jelly if you do not have apple and mint, over the back of each saddle to glaze it.

Because it is the best English lamb I do not intend to favour it with any herb or garlic. I shall serve my Summer Sauce with it (How to Spend It, June 14 1980), very small new potatoes cold tossed in a mild vinaigrette dressing, a cucumber salad, a green salad, and a very colourful raw mushroom and red pepper salad. To make the mushroom and pepper salad slice the very fresh and small mushrooms thinly and cut the pepper into similar small strips. In a shallow serving dish arrange them in a standing position alternately in rows. Sprinkle salt, pepper, sugar and lemon juice over and add a little finely chopped marjoram (fresh, if possible) and a generous amount of good quality olive oil. Cover and allow to stand for a few hours.

I think the simplicity of this meal is the key to its success. I shall also offer a choice of two starters: a courgette-mousse (How to Spend It, June 23 1979) and a rather special prawn mousse, though I suppose people will take a little of each!

Dawn's prawn mousse

serves 8

1 lb peeled prawns; 1 pint aspic with the addition of two tablespoons of sherry or brandy; 8 hard boiled eggs; 1 pint double cream; 1½ table-spoons tomato sauce; 1 tea-spoon anchovy essence.

First make up the aspic and let it cool but not set. Separate the eggs and push the yolks through a fine sieve. Add three tablespoons of the aspic to the yolks and mix to a creamy consistency. Add the tomato sauce and anchovy essence, chop the egg whites very finely and add them, along with all but three tablespoons of the aspic. Very lightly whip the cream and blend it in. When the mixture begins to thicken or set, fold in all but a few of the prawns, which, if frozen, should have been well drained on absorbent paper.

Transfer to a soufflé dish or any other suitable serving dish. Decorate the top with the remaining prawns and glaze with the remaining aspic. Chill until set or required. French bread will be offered with the mousse.

Julie's strawberry tart

serves 10 or more

For the dessert I have a recipe that, at first glance, you may think is old hat, but I assure you it is not. It is also quite the quickest and easiest thing to make and free from any risk of failure.

1 lb pâte sucrée (French fan pastry); 8 or 10 oz curd or cream or yoghurt cheese; 4 or 5 oz unsalted butter; 2 table-spoons icing sugar; juice of half a lemon; a few drops vanilla essence; 1 lb smallish strawberries (you could just as well use raspberries, loganberries, blackberries, stone cherries, sliced peaches, or highly cooked gooseberries); 1 egg white lightly beaten; caster sugar.

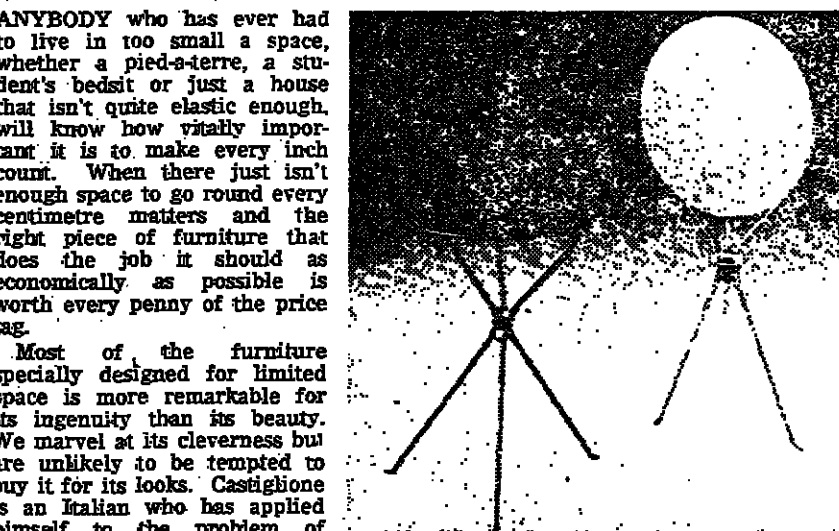
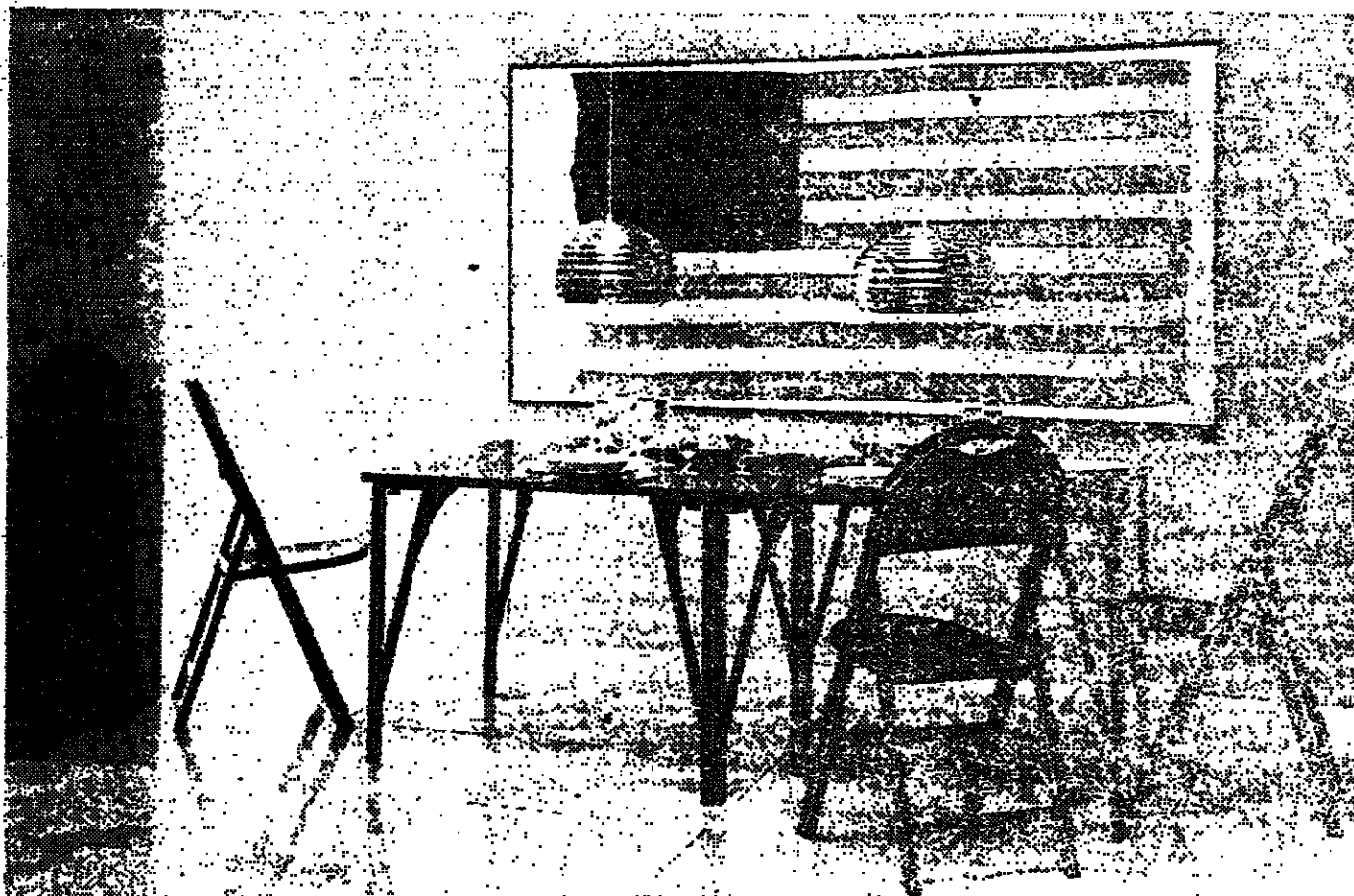
Line a 10½ in fan tin with the pastry and bake blind.

Cream together the cheese and butter. When very smooth add the icing sugar, lemon and vanilla. Spread this mixture in the cooled pastry case. Brush each strawberry with the egg white and dredge with caster sugar. Place in oven decreasing heat to 300°F (150°C) and cook for 15 minutes. This tart will keep well for a day or two in the fridge.

Now to the cold buffet suggestions. Have you ever tried cold pasta dishes? It is quite surprising how delicious they can be. It is the seafood recipes that lend themselves to being served cold best. If you are preparing spaghetti to be eaten cold remember to use olive oil and not butter, as butter sets and tends to make the spaghetti rather sticky when cold.

The Mussel and Thyme Sauce (How to Spend It, January 24 1981) is wonderful cold. There is a lot of scope for invention here. For example, cook the required amount of spaghetti, coat it with a little olive oil, then mix yoghurt with prawns, avocado and walnuts, season well with lots of black pepper, salt and lemon juice and finely chopped feathers of fennel, then combine it with the spaghetti. Hot garlic bread is wonderful with it.

Of all the cold meats there are to choose from for a party I strongly favour cold roast shoulder of pork with really good crackling (which is lovely cold). Select as many large lettuce leaves as you have guests, carve a portion of meat for each leaf and decorate it with a little piece of crackling. Use a teaspoon of the jelly the pork produces while cooking and a small segment of lightly cooked eating apple. A thimble of calvados over each portion will make this definitely party pork!

If you find yourself living in cramped quarters don't despair
Small can be beautiful

ANYBODY who has ever had to live in too small a space, whether a pied-à-terre, a student's bedsit or just a house that isn't quite elastic enough, will know how vitally important it is to make every inch count. When there just isn't enough space to go round every centimetre matters and the right piece of furniture that does the job it should as economically as possible is worth every penny of the price tag.

Most of the furniture specially designed for limited space is more remarkable for its ingenuity than its beauty. We marvel at its cleverness but are unlikely to be tempted to buy it for its looks. Castiglione is an Italian who has applied himself to the problem of designing furniture for confined spaces that is so desirable that even those who live in far from cramped conditions might well be tempted to buy it.

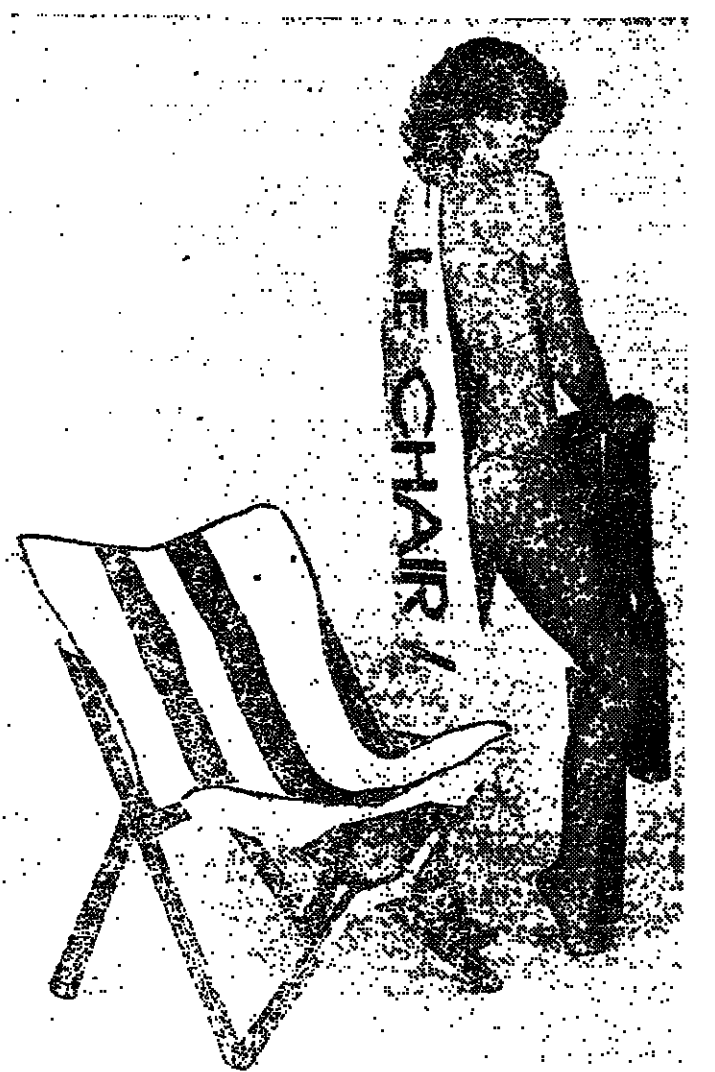
As for those who really need the flexibility it offers, to find all that and beauty, too—fits as welcome as a ticket on Cup Final day.

Photographed above and right is the Castiglione contribution to capsule living. Top is the solution to dining in cramped spaces. The Trac table (here two are shown pushed together) has legs that fold completely flat so that the

table can be stored in a cupboard or against a wall. There are two sizes—square (90 cms by 90 cms by 73 cms high) from £140.10 and oblong (135 cms by 90 cms) from £176.20. Both come in natural or rosewood stained beech or finished in black or white lacquer. To go with the folding Trac table we have the folding Tric chair. Made in the same woods and finishes as the table, the chairs start at £58.90 each. As you can see from the picture they fold virtually flat. For those who find the idea of wooden seats unappealing, there is an

optional felt fitting. Above right is Ginevra Castiglione's version of a folding low armchair. It is very comfortable, folds almost flat and anybody who is short of comfortable seating for when friends come round could store several of these in a cupboard. As you can see, it has very much the same look as the Tric and Trac. It comes in all the same wood finishes and costs from £109.70. Finally, if you need a much smaller table than the Trac, then Castiglione offers you the Cumano. Being made of steel (a sheet steel top with rounded

edges and steel rod legs) it is sturdy enough to be used outside but the stove-enamelled finishes in red, blue, green or black are sophisticated enough for it to look equally good inside. Those who are desperate for storage space can always hang it on the wall—it comes with a special black plastic wall hook on which it can be hung. Seventy cms high (just slightly lower than conventional dining height), 55 cms in diameter it is £85.50. All enquiries to Aram Designs, 3, Kean Street, London WC2.



I SUPPOSE the shooting stick is the classic answer to the problem of light, portable seating, but I have never found it to offer much in the way of comfort—more of a temporary perch than a prolonged resting place. If you want more comfort, you'll inevitably have to face up to carrying something a little weightier. Le Chair, photographed here above, is somewhat more cumbersome to carry but nonetheless it is portable and it does offer a great deal more in the way of true relaxation than the shooting stick. Le Chair is described by its inventor as a "superior collapsible lounge." It folds up into a 4 ft long arrangement which fits into its own carrying bag so that it can be easily lifted or stowed away in a car boot. The frame is of mahogany with chrome fittings and once unfolded a heavy-duty twill (or, if you prefer, a hide-look tan) cover is slipped over the frame to make a really quite comfortable seat. The frame can, apparently, take the weight of anybody up to about 15 stone. Le Chair costs about £25, extra covers can be bought separately for £5. For stockists contact Treswell, 65, Newman Street, London, W1.

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Designed to order

ANYBODY wanting to support one of the many small cottage industries that enterprising people have set up all over the country might like to know about the husband and wife team of Peter and Heather Jeffery. They live and work from Bristol (Glenfome House, 280, Ashley Down Road, Bristol BS7 9BQ) and offer customers attractive drawings of their own houses. The drawings are designed for letterpress printing and the Jefferys not only offer the usual service of using



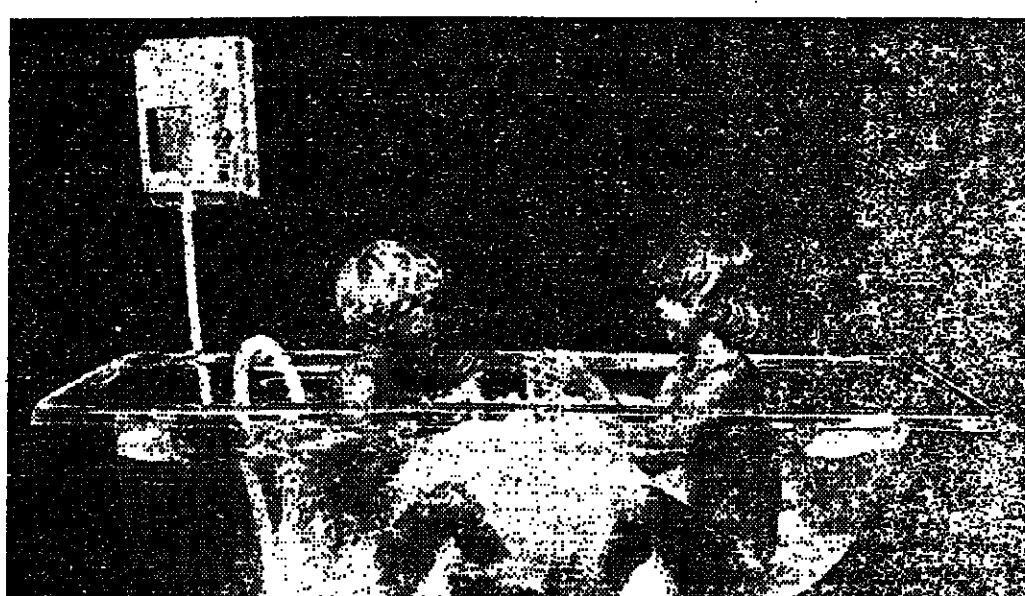
these for letterheads but can include them on notepaper, invitation cards, table mats, paper napkins—you name it. They can (usually) do it. They like to visit their customers in their own homes so that they can see the house and discuss their requirements but for those who live in far-flung parts they can work from photographs.

The charges strike me as very reasonable—artwork and one small block costs £35, with a large block it is £40 and with two blocks it is £55. Stationery costs £13.75 for 250 A5 size sheets, £20.50 for 500. Invitation cards cost £16.50 for 250 for 250. Anybody interested in their service should contact them directly at the address above.

Bubbling baths

IN BRITAIN we haven't got used to thinking of bathrooms as anything more interesting than useful places for keeping clean and decent. Out in the United States, of course, they've gone in for much more exotic bathrooms for years. We catch tantalising glimpses of such exotic things as spa baths (of which the most famous is perhaps the Jacuzzi) and not rubs in American films or decorating magazines but not many of us have got round to thinking of them as an essential part of our bathroom lives.

For our more puritanical natures the price of the spa baths alone has been enough to put most of us off (starting price, fully installed, seems to be about £1,000 whilst you can spend up to £3,000 without much difficulty). For those who fancy trying the pleasures of the spa or massage bath at a much lower price a firm called Unipools has introduced what it calls its Mass-Operle air bubble massage system. This differs from the more



expensive spa baths in that it is not a permanent fixture (though the unit on the wall, which must be fitted by an electrician and from which the hose runs, is fixed). Because it just requires the wall unit and a few portable elements (like a mattress in 3 sections through which the air bubbles are emitted) it can be used with any existing bath.

It is very simple to operate—you put the mattress in the bath, connect the hose, and then switch on the timer for the length of time you fancy. The ensuing experience leaves me lost for words— suffice it to say that massage freaks love it and are convinced that they emerge invigorated, stimulated and rested all at once. You can add any of a variety

of Mass-Operle air bubble system itself costs £249 for the basic unit and for stockists contact Unipools, 631, Watford Way, Mill Hill, London NW7.

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ARTS

Big Brother

BY B. A. YOUNG

I like to start with the good, and here is a happy story. When I moaned about the interference on my VHF reception, I got a letter from the BBC drawing my attention to the roving engineers whose brief is, among other things, to assist people with reception troubles. In due course one such engineer turned up, at 8.30 pm as it happened, en route from A to B. His Range-Rover sprouted a 50 ft pole with an aerial at the top; he made various observations and handed me 20 words of advice. We then crossed the road to the Railway Inn, and since I have done what he told me I have had faultless VHF reception.

With such courtesy from the corporation, I am sorry to say that what I heard about corporatism on Radio 3 on Monday, in the first programme in a series called *Some New Jerusalem*, sounded very foreboding. A corporatist society is one in which some organisation of representative groups is designed to harmonise different political or economic interests. An investigation into the mechanics of such a society was presented by Dr Colin Crouch of the London School of Economics.

Dr Crouch, whose voice suggests a student rather than a doctor, believes that this country is not ready for corporatism, though examples of what he calls "bargain corporatism" have taken place, such as Denis Healey's trading of tax concessions with the TUC when he was Chancellor of the Exchequer.

The programme, which covers ground little traversed on radio, interested me very much—not, I must confess, entirely because of its content, but because the social sciences, so much beloved by students who believe that they will enable them to correct the faults of society the moment they come down from their universities, are overdue for serious exhibition to a public that by and large tends not to trust them. We are not, Dr Crouch believes, a corporatist country; but he warns us that if we were to become one this might lead to dictatorship by interested organisations, or alternatively that if the risk of dictatorship were realised, to suppression of those organisations. The programme, I may say, was admirably neutral.

One such organisation, without doubt, is the Roman Catholic Church. It was given pretty poor publicity in Ron

Blair's play *The Christian Brothers* on Thursday, also on Radio 3.

The Christian Brothers was a long monologue by a Roman Catholic schoolmaster to a class of boys in Australia excellently spoken by Denis Lill. We looked in at several subjects—Eng. Lit., history, geography, French and Christian Doctrine, Christian Doctrine, however, infiltrated the other classes. Each hour, work stopped for a Hall Mary. A boy found with a dirty picture was asked if he thought the blither of Christ would be seen like that. Bad work in geography was not only insulting to the master but insulting to God. Hints were given on how to keep examinations from knowing you were a Catholic. The Christian Doctrine lesson dealt with the origin of the Christian Brothers, who ran the school.

The master gave the Christian Brothers a bad advertisement. He was irritable and vain, and kept discipline with a cane that swished menacingly every minute. Though he made a firm prohibition against taking the name of God in vain, he said "My God, sonny," for emphasis half a dozen times. One boy was apparently struck so brutally that he couldn't get up from the floor (and this showed up one of the disadvantages of monologues involving other, potentially noisy, characters). Yet this master had actually seen the Blessed Virgin Mary, he said; she not only appeared to him in his bedroom but gave him the gift of tongues, specifically of Chinese and Armenian—though the first of the two times he told of this appearance he attributed it not himself but to a friend.

The author and the actor presented the story with every appearance of reality, and internal evidence showed that it took place comparatively recently. I hope someone knows what is going on.

Hunter Davies's third programme dealt with Charlie Mingus, and so hardly interested me at all. Mingus, who to my mind demonstrated how impossible it was to lead a band from the bass, unless you were Adrian Rollini, bridged the period between the last of real jazz in the 1950s and the meaningless scribbles that pass for jazz in programmes like *Jazz Today*, so earnestly presented by Charles Fox. You never get this rubbish in Mr Fox's other programme, *Jazz Record Requests*. This goes in more for the real thing.



A scene from Jentayu at the Shaw Theatre. Tonight is the last performance of the Malaysian Susana dance troupe, one of many foreign companies participating in the London International Festival of Theatre. LIFT continues next week with groups from Holland, Peru, Japan, Poland and France at various fringe venues throughout town and the seasonal Macanina from Brazil still at the Lyric in Hammersmith

A taste of the Edinburgh Festival

BY MICHAEL COVENEY

The 35th Edinburgh International Festival will open on Sunday, August 18, with a performance in the Usher Hall of the *St Matthew Passion*, Claudio Abbado will conduct the London Symphony Orchestra and the Edinburgh Festival Chorus. Earlier in the afternoon a Cavalcade will pass through the city and, in the evening, the theatre programme gets under way: the Birmingham Rep is in the Assembly Hall with *As You Like It* and a French company, the Théâtre de la Salamandre, in the Moray House Gymnasium with Racine's *Britannicus*.

The Festival director, John Drummond, really has made his mark over the past two years in the dance and drama programmes which, once again, are of exceptionally high promise and truly international flavour. There is a major dance presentation each night of the three weeks' duration, beginning with the first visit to Europe of the San Francisco Ballet, America's oldest classical dance company. It will occupy the Playhouse Theatre in Greenside Place and offer four different shows. In the third week, the London Contemporary Dance Theatre will give the world premiere in Moray House of Robert Cohan's new ballet, *Dances of Love and Death*.

The Birmingham Rep is also giving the English premiere of the revised version of *Candide*, a Broadway musical by Leonard Bernstein based on Voltaire, and the National Theatre will unveil the new Tom Stoppard comedy, *On The Razzle* (starring Dinsdale Landen and Felicity Kendal), in the Lyceum Theatre on September 1. Apart from the French, other foreign visitors are the National Theatre of Romania in Moray House from August 31 in *The Girl from Andros*, a Latin comedy by Terence, and the Amphitheatre of Greece in the Lyceum (first week) with *Iphigenia in Tauris*, an ebullient 18th-century extravaganza much admired by B. A. Young when he saw it recently in Corfu.

The Cologne Opera is at the King's Theatre with a new production of *Il Barbiere di Siviglia* and *La Clemenza di Tito* (directed by Jean-Pierre Ponnelle), both conducted by John Pritchard. Following Cologne into the King's Theatre on September 1 is Scottish Opera with a new production of John Gay's *The Beggar's Opera*, directed by David William and conducted by Guy Wolfenden.

In the Usher Hall there are world premieres by Taverner and Stephan Oliver, as well as the usual high-class mix of performers and repertoire. Kyung Wha Chung plays the Chalkovsky Violin Concerto with the National Youth Orchestra in the Usher Hall on August 22; Pollini's piano recital two days later in the same venue is an obvious highlight; the Consort of Musick at the Canongate Kirk has four tantalising concerts of Music from the Stuart Court; Hans Werner Henze is conducting the London Sinfonietta at the Queen's Hall on August 22; the King's Singers are in town with madrigals and chansons during the third week; Ashkenazy plays Beethoven and Chopin in the Usher Hall on September 2; Tennstedt conducts the London Philharmonic on August 28.

There is the usual quota of exhibitions and poetry recitals (personal anthologies by Paul Scofield and Tom Fleming) and a conference on Television and the Arts chaired by Huw Wheldon. Our own Chris Dunster shares a platform on August 34 with Brian Womham and Jeremy Isaacs. Speakers later in the week include Marina Vaizey, Humphrey Burton, Melvyn Bragg, John Julius Norwich and Jonathan Miller.

This is the official fringe, if you like, but the Fringe proper, with its spiritual centre at the Traverse Club, is as busy and unpredictable as ever. There is even a fringe within the fringe in the Assembly Rooms, where 43 companies huddle around under one roof offering everything from *The Madman* and the *Nun* by Witkiewicz to yoga classes and the Wigan Young People's Theatre.

A new venue, opened last year, is The Circuit in Upper Gray Street, a good alternative to the Traverse as a place to eat and drink and rather less enervating. Shows playing there include *Marital Arts*, an American dance drama, the cabaret artist Marika Rivera (daughter of Diego), the touring group Paines Plough in *The Decameron* and a new play by Terry Johnson, and a trio of "sugar plant queens" in a female but not feminist revue called *Boogie, Woogie, Bubble 'N' Squeak*.

New plays at the Traverse are by Michael Wilcox, Dusty Hughes and Claire Luckham, while Scotland's popular touring company, T.S.A. is at the Moray House Theatre (not Gymnasium) with John McGrath's latest, *The Catch*. Late night revues seem less abundant than in previous years, so the demand for tickets will be even heavier.

84 Charing Cross Road

BY B. A. YOUNG

The titular address of this charming new play at the Salisbury Playhouse belongs to Marks and Co., antiquarian booksellers. During the evening, we watch it mature between 1949 and 1971. No one is murdered there. No one is seduced. No one is robbed. No one turns up unexpectedly to be somebody else. The stock of books changes leisurely from year to year, the staff grow older. The only noticeable development is the gradually increasing postal intimacy between Frank Doel, buyer and seller of books, and Helene Hanf, who orders books by mail from her bed-sit in New York. The play is one of the most delightful I have seen for years.

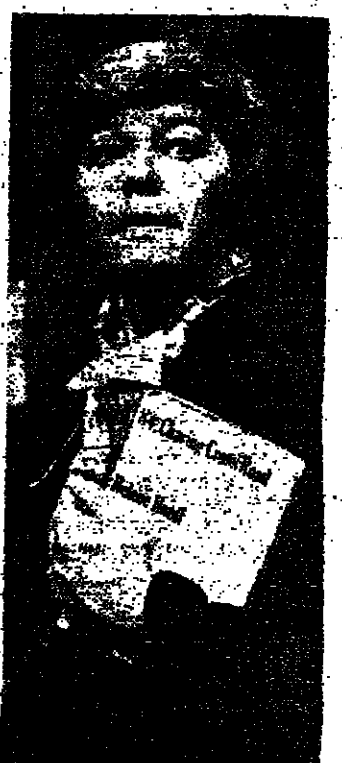
It consists entirely of the letters exchanged between Miss Hanf, who is a real person, with the courtesies he would use to a customer in the shop, though when he is tempted occasionally to employ an American phrase he allows himself a dash of what I can only call respectable camp. He slows down rather than grows older as the years pass.

Miss Hanf's letters—Helene's letters; no one could call her Miss Hanf for long—are never formal. From the start, she writes as if to someone she has known for years, and as time goes by she adopts Frank and his staff like members of her family. She sends them food parcels to alleviate the hardships of rationing. She inquires after their families, and gives them news of her own fortunes as a television scriptwriter. But most of all, she buys books.

Her choices are classic but individual. She is entranced by Walton's Lives, angry at a wrong edition of Pepys, writes off Burton's verse translation of Catullus as "hearts and flowers." And is this, I hear you ask, to fill the evening? Yes, it is, and very prettily it fills it, for the production by James Roose-Evans is truthful and handsome, and Rosemary Leach's performance as Helene is magnificent.

She sits in her little room at one side of an excellent composite set by Richard Marks, moving from her untidy settee and back to unpack a parcel or drop an unsympathetic volume into the trash-basket. Miss Leach has made her a perfect New York Jewish woman, to see, to hear, to understand. Like Frank, she ripens little by little; and she has the only moment of open sentiment in the play, when at last, after 20-odd years of struggle, she really enters her beloved 84 Charing Cross Road, to find Frank dead and the business closing down.

Mr Roose-Evans has adapted the piece for the stage, and directed it with admirable discretion, never allowing feeling to overflow its permitted limits. The production is the first in a season sponsored by Hedges and Butler, and they may feel very pleased with themselves to have supported something so unusual and so attractive. On the midweek night of my visit, the theatre—this beautiful house—was nearly full. It will be a shame if London audiences don't have an opportunity to see the play.

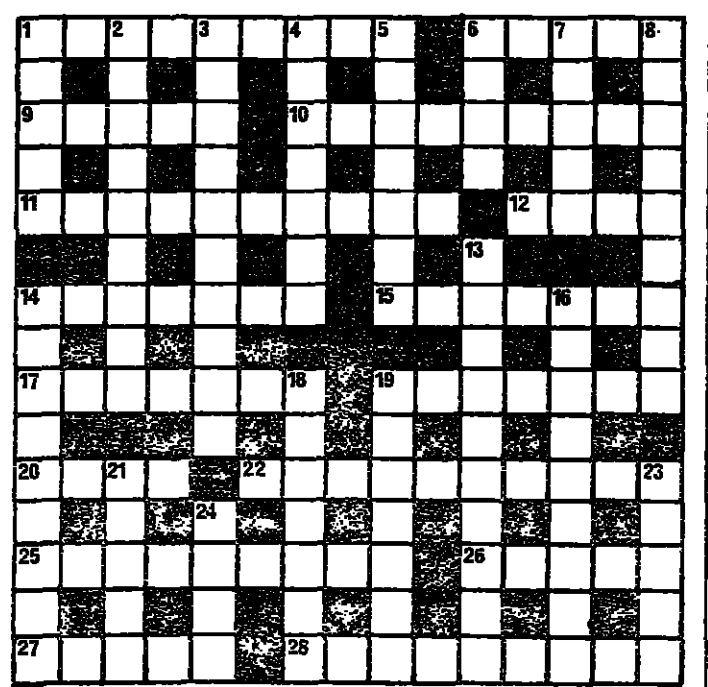


Rosemary Leach

F.T. CROSSWORD PUZZLE No. 4.641

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name _____
Address _____



- ACROSS**
- Backchat from interference on the telephone (5-4)
 - Shoots back part of letter (5)
 - Subject making them take note (5)
 - Deviation coming from near brace (9)
 - Daily publication in seek in sporting event (3-5)
 - Closed Southern shed (4)
 - Motored at excessive speed without lubricant and deteriorated (7)
 - Ran back with soldier to the French for a hookah (7)
 - Imprudent, but ungraciously curt (7)
 - Adds favours in quarters (7)
 - Sound as a bell—to learners (4)
 - Leading sheep with a ringer saturated her (4-6)
 - Medical attention subsequent to treatment, following car explosion initially (9)
 - The first two of them steal and beat strongly (5)
 - Rope attached to pole is made from flax (5)
 - Prevent a chap producing a cleansing agent (9)
- DOWN**
- Divide into separate parts and be deeply afflicted (3, 2)
 - There's too much evidence of it containing more alcohol than normal whisky (9)
 - Avoid young beast that's free from obstruction (5, 5)
 - Confounded with a heavy blow to editor (7)
 - No sleep turn-up in bottom part of ship (7)
 - Dry and withered sequence of plants following each other (4)
 - Churn chopped up radish (5)
 - High speed of boats on a lake (9)
 - Decorator or man turning up to register (10)
 - Deficiency may be just a little drop (9)
 - Metal mount in railway engine (4, 5)
 - Irreconcilable conservative to pass on with difficulty (3-4)
 - Dye-cleaning agent is out of debt (7)
 - The French can, in another language (3)
 - Mechanical man born in plant (5)
 - A lot of fish right inside a tin (4)
- SOLUTION TO PUZZLE No. 4.640**
1. DIVIDE
2. AFFLICTED
3. EVIDENCE
4. WHISKY
5. BEAST
6. OBSTRUCTION
7. CONFOUNDED
8. HEAVY
9. BLOW
10. EDITOR
11. DRY
12. WITHERED
13. SEQUENCE
14. PLANTS
15. FOLLOWING
16. EACH
17. OTHER
18. CHURN
19. CHOPPED
20. UP
21. RADISH
22. HIGH
23. SPEED
24. BOATS
25. ON
26. LAKE
27. DECORATOR
28. MAN
29. TURNING
30. UP
31. REGISTER
32. DEFICIENCY
33. MAY
34. BE
35. JUST
36. A
37. LITTLE
38. DROP
39. METAL
40. MOUNT
41. IN
42. RAILWAY
43. ENGINE
44. IRRECONCILABLE
45. CONSERVATIVE
46. TO
47. PASS
48. ON
49. WITH
50. DIFFICULTY
51. DYE-
52. CLEANING
53. AGENT
54. IS
55. OUT
56. OF
57. DEBT
58. THE
59. FRENCH
60. CAN
61. IN
62. ANOTHER
63. LANGUAGE
64. MECHANICAL
65. MAN
66. BORN
67. IN
68. PLANT
69. A
70. LOT
71. OF
72. FISH
73. RIGHT
74. INSIDE
75. A
76. TIN

TV/Radio

*Indicates programme in black and white

BBC 1

- 7.15-8.30 am Open University.
9.05 Play Golf with Peter Alliss.
9.30 Get Set for Summer. 11.00 "Tender Warrior," starring Charles Lee, 11.35 Tom and Jerry, 12.10 pm "Treasure Hunt," starring Jimmy Edwards.
1.25 Weather.
1.30 Grandstand: Swimming (1.35, 2.40, 4.10) 1981 National Championships: Racing from Haydock (1.50, 2.20, 2.50); Cycling (2.10, 3.30, 4.10) National Track Championships: Athletics (3.10, 3.45, 4.10) Robinson's Northern Ireland AAA Championships, 5.00 Final Score.
5.10 Allis Smith and Jones.
6.00 News.
6.10 Sport/Regional News.
6.15 Pop Quiz.
6.45 The Saturday Film: "Cranston," starring Shirley MacLaine and Michael Caine.
8.30 Summertime Special.
9.15 News and Sport.
9.30 Roots.
9.40 My Kind of Music.
11.35 House Calls.
All Regions as BBC 1 except as follows:
Cymru/Wales—6.10-6.15 pm Sports News Wales. 12.00 Weather for Wales. 12.00 Scotland—12.00 News and Weather for Scotland. 1.00-1.05 pm Northern Ireland News and Sport. 12.00 News and Weather for Northern Ireland. England—10.45-11.15 pm (South West only) Saturday Spotlight.

BBC 2

- 7.40 am-2.45 pm Open University.
7.45 Saturday Cinema Double Bill: "Innocents in Paris," starring Alastair Sim, Margaret Rutherford and Claire Bloom.
7.40 "Laughter in Paradise," starring Alastair Sim.
8.15 Colonel Culpender's Flying Circus.
8.20 European Community Youth Orchestra Concert (Part 1).
7.50 News and Sport.
8.10 European Community Youth Orchestra Concert (Part 2).
9.00 Spirit of Asia.
10.00 News Sincerely.
10.40 News On 2.

SOLUTION AND WINNERS OF PUZZLE No. 4.635

- Mr F. Vander Steen, 24 Wendover Court, Lyndale Avenue, London, NW2.
Mr F. W. Summers, 6 Farm Lane, Tonbridge, Kent.
Mr A. Smith, 8 Lade Braes, St. Andrews, Scotland.

LONDON

- 8.45 am Sesame Street. 9.45 Joe 90. 10.10 The Beachcombers. 10.35 Thunderbirds. 11.30 Clapperboard. 12.00 The Lost Islands.
12.30 pm World of Sport: 12.35 International Sports Special (Part 1) Golf—The U.S. PGA Championship, from Atlanta, followed by Australian Pools Check, 1.15 News. 1.20 The ITV Seven from Newmarket and Redcar; 3.10 International Sports Special (Part 2) Skydiving, Table Tennis—The World Cup from Kuala Lumpur; 4.00 Wrestling; 4.50 Results Service.
5.05 Wortel Gummidge.
5.35 News.
5.40 Chaps.
6.35 Mind Your Language.
7.05 Happy Days.
7.35 "Cry the Innocent," starring Rod Taylor.
9.20 Seagull Island.
10.20 News.
10.35 House on the Hill.
11.35 Let's Rock.
12.05 am Police Surgeon.
12.35 Close Personal Choice with Wilfred Josephs.
All IBA Regions as London except at the following times:
9.25 am Sesame Street. 10.25 Clapperboard. 11.00 Saturday Morning Film: Top Secret starring George Cole. 10.35 The ITV Sunday Morning Picture Show. 5.05 pm Under Manning. 5.40 Return of the Saint. 6.35 The Video Entertainers. 7.05 Mind Your Language. 12.05 am News.
9.25 am Sesame Street. 10.25 Clapperboard. 11.00 Saturday Morning Film: Top Secret starring George Cole. 10.35 The ITV Sunday Morning Picture Show. 5.05 pm Under Manning. 5.40 Return of the Saint. 6.35 The Video Entertainers. 7.05 Mind Your Language. 12.05 am News.

ATV

- 9.10 am A Better Read. 9.35 The Television Programme. 10.00 Clapperboard. 10.35 The ITV Sunday Morning Picture Show. 5.05 pm Under Manning. 5.40 Return of the Saint. 6.35 The Video Entertainers. 7.05 Mind Your Language. 12.05 am News.

GRAMPAIN

- 9.35 am Larry the Lamb in Toyland. 9.40 Curf Cur. 10.10 The Flying Pao. 10.40 Hara's Boomer. 11.10 Thunderbirds. 12.00 Clapperboard. 5.05 pm Under Manning followed by area weather forecast and Highland League results. 5.40 The Incredible Hulk. 6.35 The Video Entertainers. 12.05 am News.

GRANADA

- Television Programme. 10.05 Mystery Island. 10.10 The Moon. 10.40 The Video Entertainers. 12.05 am News.

ITV

- 9.05 am A Better Read. 9.35 The Television Programme. 10.00 Clapperboard. 10.35 The ITV Sunday Morning Picture Show. 5.05 pm Under Manning. 5.40 Return of the Saint. 6.35 The Video Entertainers. 7.05 Mind Your Language. 12.05 am News.

SCOTTISH

- 9.10 am A Better Read. 9.35 The Television Programme. 10.00 Clapperboard. 10.35 The ITV Sunday Morning Picture Show. 5.05 pm Under Manning. 5.40 Return of the Saint. 6.35 The Video Entertainers. 7.05 Mind Your Language. 12.05 am News.

SOUTHERN

- 9.05 am Sesame Street. 10.05 Park Ranger. 10.35 Thunderbirds. 11.30 Clapperboard. 12.00 The Lost Islands.

TYNE TEES

- 9.10 am A Better Read. 9.35 The Television Programme. 10.00 Clapperboard. 10.35 The ITV Sunday Morning Picture Show. 5.05 pm Under Manning. 5.40 Return of the Saint. 6.35 The Video Entertainers. 7.05 Mind Your Language. 12.05 am News.

8.00 Country Greats in Concert (S).

- 10.00 Noddy and Noddy (S). 11.00 Sports Desk. 11.10 Peter Marshall's Late July. 11.20 The Video Entertainers. 11.30 The Night and the Music (S).
RADIO 3
7.55 am Weather. 8.00 News. 9.05 Auldrie (S). 9.10 News. 9.05 Stereo Release (S). 11.15 Bandstand (S). 11.45 Diversions (S). 1.00 pm News. 1.05 The Video Entertainers. 1.15 The Video Entertainers. 1.25 The Video Entertainers. 1.35 The Video Entertainers. 1.45 The Video Entertainers. 1.55 The Video Entertainers. 2.05 The Video Entertainers. 2.15 The Video Entertainers. 2.25 The Video Entertainers. 2.35 The Video Entertainers. 2.45 The Video Entertainers. 2.55 The Video Entertainers. 3.05 The Video Entertainers. 3.15 The Video Entertainers. 3.25 The Video Entertainers. 3.35 The Video Entertainers. 3.45 The Video Entertainers. 3.55 The Video Entertainers. 4.05 The Video Entertainers. 4.15 The Video Entertainers. 4.25 The Video Entertainers. 4.35 The Video Entertainers. 4.45 The Video Entertainers. 4.55 The Video Entertainers. 5.05 The Video Entertainers. 5.15 The Video Entertainers. 5.25 The Video Entertainers. 5.35 The Video Entertainers. 5.45 The Video Entertainers. 5.55 The Video 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FINANCIAL TIMES

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Saturday August 8 1981

Pre-holiday skirmishes

IT IS NOT recorded what Sir Geoffrey Howe was doing on Thursday morning, when the skies opened over England. London was deluged by unprecedented rainstorms and much of the population of the City was soaked to the skin. It is a safe bet, however, that unlike Lord Thorneycroft, who admitted in laying out "dripping wet" even in the balmy weather of the previous week, the Chancellor will have dried out thoroughly when he appears on television tomorrow to present his final analysis of the state of the economy before departing for a well-earned summer break.

Patchy picture

With all the main antagonists in the war of words about when a recession is not a recession safely away on holiday, attention in the City may then move to more serious questions than the semantic distinctions between "bottoming out" and "scraping along the bottom" or between "Shende" and "T-turns". Indeed, while the Prime Minister himself is resting in Cornwall there may even be a temporary lull in the speculation about whether any forthcoming Cabinet changes will result in the flushing out of the "wets" or the inundation of the "dries".

Looking beyond the tiresome semantics, a patchy picture presents itself to the investor. While many industries continue to founder and some which have done comparatively well until recently, such as oil refining, get into deeper straits, others are beginning to show the first signs of recovery. Yesterday's car registration figures confirm, for example, that BL is continuing to improve its position in the British car market which it once dominated. ICL only recently readmitted to the Government's lame duck hospital, is showing signs of life under its new management. Even British Rail looks as if it may possibly avert the railway strike which is threatening to seal its fate.

Although the National Economic Development Office produced a paper this week warning that productivity trends are not noticeably different from those of previous recessions, comments from individual companies continue to stress the gains that are being made. Whatever the aggregate statistics show, many businessmen are convinced that changes have occurred which will enable productivity and profitability to improve dramatically, provided the economic situation allows them to increase their output and turn potential productivity gains into the production of real goods. The second proviso is that the co-operative attitudes

which have been newly learnt will not be unlearned as soon as the recovery begins.

These two provisos are the key to assessing the future course of economic policy and the impact of economic events, such as the continuing weakening of sterling and the ominous overshoots on both the money supply and the PSBR.

The decline of sterling to less than \$1.50 has mainly reflected the strength of the dollar, although in the past few days there has also been a noticeable weakening against the D-Mark and the EMS. This decline is welcomed in many parts of industry. In fact, it may be a necessary condition for the renewal of hopes in the engineering sector and BL. It could have highly adverse effects on inflation, but need not do so. Whether it will turn out to be a blessing or a disaster will depend largely on what happens to pay.

Similarly, the excess spending on rationalised industries and on Mr James Prior's youth unemployment package, which may well lead to some overshooting of the Government's spending targets and of the PSBR, will, in the short run, give industry something of a boost. But if it looks as if that boost is more likely to go into higher wages than into output and productivity, the Chancellor will have every reason to seek to claw it back in his Budget next year.

Some upsets

The same arguments apply even more strongly to any relaxation in the constraints on nationalised industry investment which may be allowed later in the year. The Chancellor told the NEDC on Wednesday that "the need to strike an acceptable balance between current and capital spending will be very much in mind" in this year's public expenditure review. He added that "within a given total of spending, capital expenditure can be increased only if current expenditure can be reduced." But a more important point is whether any increase in total expenditure is likely to be reflected in increased real output or simply in higher wages and inflation. It is all too likely that there will be some upsets and surprises in the public spending decisions which are to be taken between now and the next Budget and in the Bank of England's conduct of monetary policy under the new market-orientated regime announced this week. In judging these policies it will be more important than ever to observe their effects on the real economy and on the behaviour of wage bargainers, as well as comparing them with the Government's financial objectives.

"If you are asked by your friends and neighbours why we have lost money, explain, but do not apologise. We are still the best airline and will be here when some current household names have been long forgotten."

This is part of a message for British Airways managers from Mr Roy Watts, the chief executive, attempting to soften the blow of the serious losses announced by the airline yesterday. In the year to March, BA recorded an operating deficit of £89.9m, on top of which it had to pay interest of £73.1m on its near £800m of debt.

The total pre-tax loss was £140.7m, against a modest profit of £19.5m in 1979-80, and £90.4m in the previous year.

No early relief is in sight for BA's financial problems. Originally it was budgeting for an operating profit of some £40m for the current year, but the costs of the air traffic control dispute—reckoned by BA to be some £60m—wrecked these projections.

Also, the high cost of dollar denominated borrowings means that BA faces an interest bill of more than £100m this year. BA has not yet given up hope that more favourable trends could develop in the remaining eight months or so of the financial year. But at this stage another pre-tax loss of over £100m is clearly on the cards.

Two years ago the incoming Conservative Government put British Airways high on its list of "privatisation" candidates among the State industries, and has enacted legislation to permit the corporation to be turned into a public limited company.

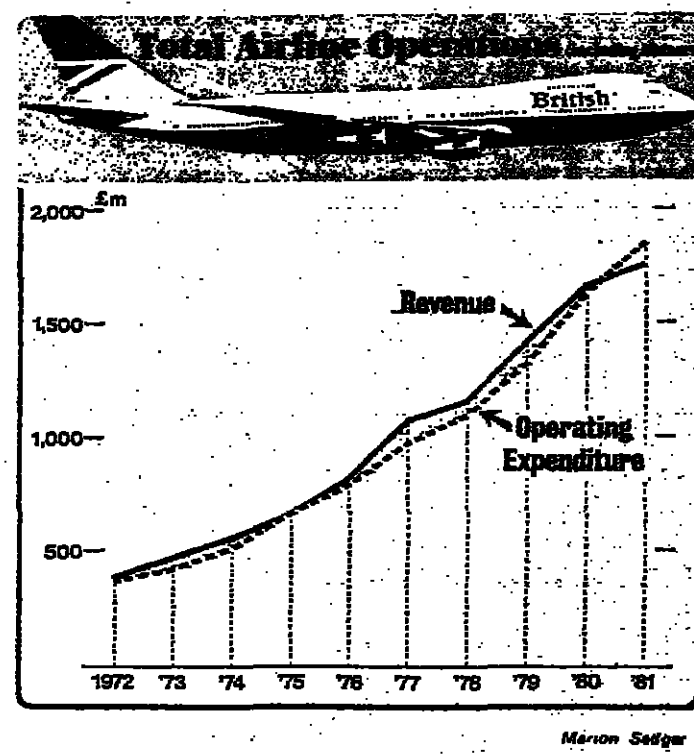
But the dismal earnings trend and the rapidly worsening balance-sheet appear to have ruled out any hope of floating BA off within the foreseeable future. Whatever happens, a major capital reconstruction will be required before the airline can stand on its own two feet. And the view of senior executives this week was that Britain will have to go through the recession before privatisation is feasible.

What has gone wrong? Essentially it is the familiar story of an inefficient, protected industry being faced with a chance to much more competitive conditions. At the same time, as the whole air travel market has come into an unprecedented state of recession.

However, there is much bitter argument about how much blame should be carried by the airline's management, the Government for its treatment of BA, and how much by the recession itself.

Certainly the top management is sharply critical of many Government policies, some longstanding and some recent. One is the way the Government has encouraged British Airways Authority to raise its charges sharply in order to generate cash.

Another sore point is deregulation of monopoly routes. The decision to allow Cathay Pacific and British Caledonian on the Hong Kong-London run instantly turned a highly profitable BA route into a loss-maker, and left the State airline with



Sir John King (left), chairman of British Airways, pictured yesterday announcing the airline's decline into losses: he is unlikely to be impressed by excuses that BA's poor performance is due to 'causes which are mostly outside our own control,' as chief executive Roy Watts asserts.

a redundant Boeing 737.

And the notoriously thirsty Trident fleet, which BA never really wanted to buy in the first place, last year cost some £20m more in fuel than would have been consumed by more efficient jets.

In his message to managers, Mr Watts tells them that BA has had to face a much deeper recession in its home market than other European carriers have yet experienced locally.

It has been particularly hit by the weakness of the business travel market. UK leisure travel has been comparatively

ing requirement. Nor are the excuses likely to be readily accepted by BA's new part-time chairman, industrialist Sir John King.

One fear among BA executives is that the Government may order the organisation to dispose of some of its profitable non-airline subsidiaries in activities like hotels and communications.

Even last year, various non-airline subsidiaries earned a total of more than £20m pre-tax. Together with a profit on asset disposals of £15.3m this helped reduce an underlying airline deficit which otherwise would have reached around £190m.

The sheer size of this loss—about 10 per cent of the airline's revenue—is obvious evidence of the management's apparent inability to react quickly to changing circumstances. So is the devastated condition of the balance-sheet, which shows that during 1980-1981, borrowings—nearly all in dollars—rose from \$1 to 70 per cent of the capital employed. BA remains viable because these borrowings are guaranteed by the Treasury.

BA has failed to meet the Government's required performance targets by a staggering margin. It was told to aim at a 6 per cent current cost return on assets. In fact, in 1980-81, the return was minus 9.7 per cent.

British airways

British airways

buoyant, and indeed BA's charter flight subsidiary, British Airfreight, raised its pre-tax profits from £2m to £2.3m in 1980-1981.

"Our financial problems arise from causes which are mostly outside our own control," Mr Watts reassures his managers. "We have had far more than a fair share of the problems, both in number and magnitude."

Such excuses are far from fully convincing, though. They are unlikely to cut much ice with the Government, which will not be pleased if it cannot prevent BA from continuing to swell the public sector borrow-

The undoubted problems of the market place have been greatly exaggerated by the fact that BA has been heavily over-manned, and has been aiming for a quite inappropriate rate of growth.

Two years ago BA's staff numbers hit a peak of some 38,000. By last March, after tumbling 5 per cent in a year, they were down to 32,600. The figure will drop below 30,000 by Christmas, and the target now is to reach a stable level of 43,000 after another two years.

All this is being achieved, however, without enforced redundancies, which explains why BA at present has some 200 pilots sitting at home on full basic pay. In all, around 450 pilots out of 5,000 are surplus to current requirements. The surplus reflects not only a cut-back in the number of flights, but also the introduction of new aircraft which require only two pilots rather than three.

BA's capital spending budgets are also being cut back sharply. The annual report shows a reduction in capital commitments from £1,130m to £996m. Of this, £380m reflects orders for the Boeing 737, around which BA's future short haul plans are based. In all, spending at an annual rate of around £200m is envisaged.

Even though BA managed to cut back last year's planned capital spending of £400m to around £270m, the huge shortfall on budgeted cash flow

caused the increase in borrowings to balloon to more than £300m. According to the original plan, the airline would have financed half the £400m out of its own cash flow, but in fact BA generated no cash at all from its trading operations.

During last year the Government agreed to raise BA's external financing limit (EFL) from £219m to £304m. Even so, the BA board had been engaged in a hunt for saleable assets to ease its cash position. Disposals have included surplus aircraft and a stake in the Far East based airline Cathay Pacific.

The British Airways strategy is simple: to be equal to the most efficient and least-cost airlines so that we fear no competition, UK or otherwise," declares Mr Watts.

But while the financial results continue as bad as they are, the management must be vulnerable to a Government decision that major reorganisation must be the price to be paid for any further support. The morale of top executives is not being helped by the renewed circulation of highly critical reports by "moles" lower down in the management structure.

Coincidentally, the Prime Minister has been sent a report this week by the Central Policy Review Staff, the "think tank," which criticises the low level of communication and understanding between Whitehall and the State industries, and argues that an "arms-length" approach is unrealistic.

In particular, the Government has to decide whether it is going to protect and support British Airways in such matters as airport charges and deregulation, so that eventual privatisation could become possible, or whether it is going to aim at a tougher competitive climate which will benefit the air travelling public.

On present evidence, it cannot have it both ways.

Letters to the Editor

Cars

From Mr R. Selwyn
Sir—I refer to your issue of August 3, in which you report that the Government is contemplating action to stop private motorists from importing new cars from the Continent at the reduced prices prevailing in those countries.

Rather than take any such action in response to pressures from the British motor traders and importers, would it not be more suitable for HM Government to investigate the reasons why the British motorist is being exploited in this way by the motor manufacturers and suppliers?

The British motorist is by no means well off in European terms as he would be if he were forced to subsidise his Continental colleagues in this manner. Perhaps this is just another hidden benefit for the British as a result of becoming full members of the EEC. And since we are members of the EEC, does not the Treaty of Rome ensure full competition between dealerships for the same products in different countries of the Community and offer safeguards to purchasers who wish to buy from a foreign supplier? There have been a number of cases of manufacturers being fined by the EEC for trying to establish exclusive dealerships within national boundaries. If this is the case, it could well be contrary to EEC rules for the British Government to interfere in the matter.

R. B. Selwyn
P.O. Box 3, Newman Lane, Alton, Hants

Behaviour

From Mr A. Robinson
Sir—Jan Davidson's article (July 28) leaves unanswered and unexplained the reasons why some of a black community cannot obey the rule of law of the country in which they live. The policing of Britain is as tradi-

tional as it is by universal consent.

If the black community in Britain has to be compared with the ghettoising of America then a whole new set of factors not reported and obviously not considered by Mr Davidson must be brought into consideration. Why are some blacks unemployed, why do they commit street crime, why do their community leaders not control them better and insist on self-cleansing of environment and self-control of individuals to better fit society?

Would expulsion of the cults of drugs and ancient tribal habits not provide more energy and more respect for work and examples of the demand for better unpoliticised education that produces the fine middle class structure of blacks in the U.S. be better than shrieking for handouts?

If young blacks joined the special constabulary—already holding more coloured part-time hobby bobbies than the regular force—would not the communication of police attitudes and law enforcement be better understood than the ostracism by so-called community leaders of coloured policemen.

In Britain police exist to enforce the law. The courts determine punishment and the "surprise, surprise" and Old George carping of Mr Davidson makes no sense except to add verbosity and fuel to a situation where blacks could lift themselves and become as professional and as British as every immigrant community before them from the days of the Normans. To be law abiding is the first step to gaining the help, sympathy, support and education needed to take that step to prosperity.

Have the blacks got the guts to realise that it is not Jan Davidson's Old George or any policeman that stops them achieving citizenship? It is truly themselves. Individually first and collectively a long way in

second place, that puts them in peace and respect.
Allan Robinson,
21 Siringham's Copse
Ripley, Surrey.

Insurance

From the Director-General, British Insurance Brokers' Association.

Sir—Mr Bush (August 3) may have overlooked Eric Short's article of July 4 describing the launch by this association of a £500,000 public information campaign to explain the advantages of placing insurance through an insurance broker.

Our main effort will come at the end of the year when the Insurance Brokers' (Registration) Act comes fully into force. Mr Bush asks what is the commercial advantage of registering as an insurance broker. Other insurance intermediaries may be able to offer expert and impartial advice, may operate on prudent financial lines and may do everything possible to satisfy the insurance requirements of their clients. But only insurance brokers will be required by law to meet these standards. If they fail to do so the Act provides a well-defined channel of complaint and appropriate disciplinary powers. We hope that the public will come to recognise these benefits and place their insurances accordingly.

Michael S. Morris,
Fountain House,
130, Finchbury Street, EC3.

Scandal

From Commander H. Burton, RN (Ret'd).

Sir—The charges by the nationalised industries have reached such heights as to be a public scandal and a disgrace to the Government.

Mr J. de Rivaz (August 1) briefly touches upon a fundamental cause of excessive public utility charges when he suggests that "a possible solution would be, instead of funding capital expenditure from

income, to borrow the capital from users." This is the crux of the matter, for the fact is that hundreds of millions of pounds of capital expenditure are charged to revenue as a working expense, thus necessitating excessive charges. It is absolutely unjustifiable that present-day users and consumers should be made to pay for the benefits that will accrue to future users and consumers, for that is why capital expenditure is incurred, ie, for the production of future profit.

Before gas was nationalised, I was a director of the Brighton, Hove and Worthing Gas Company, and I recall that the Brighton Corporation had an Act of Parliament authorising it to inspect the books of the company each year when the annual accounts were prepared for the express purpose of protecting the gas consumers' interests by making sure that capital expenditure was not improperly charged to revenue as a working expense, thereby unfairly keeping up or increasing the price of gas. It is long past time that the Government took steps to subject the accounts of all the public utility organisations to a similar audit.

Three or four years ago British Gas Corporation made an excessive "operating surplus" (it should not be designated "profit") and I wrote to Sir Denis Rooke, the chairman, asking him how he justified it. His reply was illuminating: "One of the reasons for the large surplus," he said, "was that they had budgeted for some heavy capital expenditure which, in the event, had not been carried out." Here is confirmation of the contentions I have expressed in this letter.

I assert without fear of contradiction that if the public corporations were made to raise capital on the open market, as the non-nationalised statutory water companies do (but not the monopolistic water authorities), the price of gas, electricity, water, postage and telephone could be reduced by

anything up to 20 per cent. Think what this would mean to commerce and industry and to private householders.
Hyde C. Burton,
Rayland Nursing Home,
54, Marine Parade, Brighton.

Windmills

From Mr A. Stobart

Sir—Your publication (August 4) of the Department of Energy's report reveals one most interesting omission. No mention is made of the 10 or more "central heating" windmills now in operation in the UK, and more are on order.

We estimate that their installed cost is one third to one quarter of the proposed 8-12 Mw Department of Energy machines on a "maximum watts installed" basis. As heating is one of the largest energy demands, and even the electricity demand for domestic and commercial premises in 1979 was over 50 per cent for heating, hot water and cooking, direct heating by wind could play a very large part in reducing fossil fuel bills in appropriate areas.

It is most curious that this practical and expanding UK development is not given any official recognition. Its economics too are attractive, given the sort of fuel price rises predicted by the recent Cambridge Econometrics report.

Andrew Stobart,
Trimble Windmills,
55, East Parade,
Harrogate, North Yorkshire.

Australians

From Mr J. H. Penhaligon

Sir—Spurred on by the recent Financial Times Australian Survey I decided to buy some Australian mining shares. When I called a broker he told me that they were now applying a £20 minimum charge on all Australian dealers. Phoning a second broker I was informed that this minimum charge would be £30. The reason given was because of "the delays and consequent

problems with Australian registrars."

In view of previous correspondence appearing in your columns regarding difficulties encountered by investors dealing in Australian shares and a letter to your paper from Mr D. H. T. Clarke of Potter Partners in May in which he said that a new marking system being introduced would considerably speed up the registration of Australian securities purchased in London, I am sceptical about these "problems."

One wonders how British brokers can possibly justify such charges. Are these charges designed to insure them against their own inadequacies or an attempt to keep the small investor out of the market? It has been said that brokers do not want the small man as they make a good enough living from institutional clients and large private investors.

J. H. Penhaligon,
51 Heron Court Road,
Winton, Bournemouth.

Savings

From Mr K. Tunstall

Sir—Following the decision to make index-linked savings certificates available to everyone, further encouragement of regular savings could be given by converting upon index-linked SAYE contracts benefits to make them more comparable to the new certificates.

These are index-linked of SAYE contributions after one year (in place of the nominal interest added at encashment after one year but before maturity at five years), and month-by-month indexing for fully-paid contracts surrendered between five and seven years (in place of the maturity value being payable at any time during this option period).

At present it clearly advantages a saver to encash at maturity and re-invest in the new certificates as he is then assured of index-linking after one year instead of two.

Now there's an easy way out.



Air Portugal from Heathrow

Most people who fly to Portugal, whether for business or pleasure, want to leave from Heathrow.

For a good reason; it's more convenient. Now Air Portugal can offer that convenience. Because they are the only airline to fly daily from Heathrow to Lisbon. British Airways goes from Gatwick. For £288* return you can fly Air Portugal Economy and get a choice of excellent Portuguese wine free with your meal. Won't it be nice to leave from the right place at a realistic price.

*Regular scheduled flight. See your travel agent for departure times, other fares and conditions to South Africa and South America. Fares subject to Government approval.

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FROM HEATHROW THE EASY WAY OUT.

FIH climbs 50% in opening quarter

IN SPITE of dismal trading conditions, Ferguson Industrial Holdings, reports a 50 per cent increase in pre-tax profits for the first quarter to March 31 1981. This included associates share this time of £40,000.

Sales advanced from £20.03m to £24.74m, but trading profit was lower at £772,000 compared with £883,000. The pre-tax figure was struck after interest charges substantially lower at £57,000 (£82,000).

Mr Denis Vernon, the chairman of this holding company whose principal activities are those of building and engineering supplies, engineering, giftware and printing, says the only division to show an increase in sales and trading profit compared with the first quarter last year is printing and packaging. This division continues to perform well.

The building supplies division continues to be affected by low

demand, and it is unlikely to see much improvement before the autumn. Other divisions performed poorly, and there is as yet no sign of any revival in their business, he says.

First quarter results of the group include the initial contribution from FIH subsidiaries (excluding Smiths Shiprepairers) and their associated companies.

There was a tax charge of £203,000 against £66,000, leaving net profits up from £348,000 to £475,000.

comment

Ferguson Industrial Holdings' shares jumped 50p yesterday to 52p, perhaps on the hopes that the company can return somewhere near the growth rates of the late '70s. However, overall trading profits in the quarter declined by 10 per cent and the pre-tax advance was largely achieved by sharply reduced

interest payments and strong growth in printing and packaging which contributed 64 per cent of trading profits from only 18 per cent of overall sales. The group plans to expand this division with an acquisition soon. Trading in the company's traditional lines of business is sorely

pressed, with engineering just breaking even in the quarter. Continued strength from printing should allow the group to turn in pre-tax profits for the year of about £2.5m and FIH should at least maintain its dividend for the year which indicates a double-figure yield.

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corr. payment	Total last year	Total this year
Adams and Gibson Int.	1.25	Sept. 22	1.25	—	3.75
British American and Gen. Trust Int.	0.93	Oct. 1	0.93	—	2.35
Conder Int.	1.5	Oct. 3	—	—	7
Dura Mill	3	—	3	3	3
Longton Ind.	1	Oct. 24	3.6	1	5
Phoenix Timber	—	—	3.7	1	5
Scottish Ind. Inv.	0.88	Sept. 30	0.57	—	1.53*

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Phoenix Timber moves £2.56m into red

FOR the year to March 31 1981 the Phoenix Timber Company incurred a pre-tax loss of £2.56m compared with a profit of £220,000 last year. Turnover is down from £44.53m to £37.81m. The final dividend is being omitted.

The directors say that the principal reasons for the substantial loss are the continuing low level of activity in the construction industry, very high interest charges and unfavourable movements in foreign exchange rates, particularly in the main importing divisions.

They say that these effects were felt most severely in the second half and provisions of £525,000 were made to reduce stocks held at the year-end to net realisable values. At half-time the pre-tax loss had been £47,000, compared with a profit of £330,000.

The directors say there has been a substantial reduction in the rate of loss in the first quarter of the current year compared with the previous quarter and this recovery trend is continuing.

With no final dividend compared with 3p last time, the total payment is 1p against 5p. The loss per 25p share is stated at 73.3p against earnings of 8.9p.

The trading profit was £228,000 against £207m from which interest took £2.18m (£1.75m) and exceptional stock provisions £625,000 (nil). Tax relief amounted to £318,000 compared with a charge of £38,000. After extraordinary credits of £38,000 (debit £258,000) the attributable loss emerged at £2.21m (profit £6,000).

The figures for the year to March 31 1981 include the

results of Hahn and Co. for the 10 months since its acquisition. A revaluation of properties at that date showed an excess of £785,000 over book values which has been credited to capital reserves after setting aside £275,000 for deferred tax in respect of surplus properties held for sale.

Net asset value per share was 270p at the year end.

Current cost accounting increases the pre-tax loss to £3.15m.

comment

Dreadful figures from Phoenix Timber were anticipated in a downward movement in the shares, which fell 8p the day before the bad news duly arrived. Trading profits disappeared in the second half, as building

activity dwindled. Finance charges soared, however, as Phoenix struggled to digest the stocks of Russian softwoods to which it had committed itself early in 1980. These softwood stocks also necessitated a written down of £700,000 when the Russian contracts for 1981 were struck at much lower prices (thus undercutting the book value of stocks held over from the 1980 contract). As the overstocking tapered off, so the rate of loss is declining, and there are hopes that breakeven may be reached before next March. Even after a property revaluation, net assets at the year-end were down to 270p a share, while borrowings are 294p per share. At 101p, down only 1p after the results—and missing final dividend—the share price suggests that the asset-based takeover rumours of last December are now dormant.

Longton £0.63m loss—pays 1p

THE DIRECTORS of Longton Industrial Holdings say that unprecedented difficulties experienced in vehicle and plant distribution resulted in very poor results in that division.

Consequently the company as a whole has slipped from a pre-tax profit of £1.9m to a pre-tax loss of £592,264 for the year to March 31 1981. Turnover is down from £32.21m to £35.9m.

The final dividend is to be cut to 1p following omission of the interim. Last year Longton paid a total of 5p. Loss per 25p share is stated to be 3.9p compared with earnings of 2.3p.

The company has interests in road transport storage and distribution, export packing and

freight forwarding, steel stock-holding and processing and engineering supplies, vehicle and industrial construction plant distribution and repair services, crane hire and insurance broking.

1981	1980
Turnover	35.90
Less pre-tax loss	592.26
Pre-tax profit	1.90
Less interest	448.69
Pre-tax loss	446.79
Less tax credit	30.23
Pre-tax loss	477.02
Less dividends	110.92
Pre-tax loss	366.10
Profit	2.30

comment

Results earlier in the week from the company and James Austin illustrated the current difficulty

of making money in the steel stock-holding business. Longton Industrial Holdings is engaged in two other activities which the recession has rendered distinctly intractable—crane-hire and insurance broking.

It is consequently not too surprising that Longton traded at a loss in the second half of its year, exacerbated by heavy capital gearing. It would seem not to have had the positive cash flow enjoyed by some other steel-holding companies as the market shrunk and its downward swing at the pre-tax level was £2.5m.

In the circumstances, ordinary shareholders may be surprised to receive even the nominal 1p final. The shares fell 4p yesterday to 43p.

GRA Prop. seeks quote on USM

THE SCHEME of arrangement under which GRA Property Trust, the greyhound racing group, has operated since 1978, is to be terminated at the end of this year.

The ICI Pension Funds (PFS) gave notice on July 25 for the termination of the accounts for 1981. GRA is in discussion with PFS with regard to the repayment of its £3.745m debt to PFS.

Mr E. J. Aaronson, chairman of GRA, also revealed in yesterday's interim statement that the company is seeking a quotation for its 42.5m shares on the Stock Exchange's Unlisted Securities Market.

Dealings in the shares now take place under Stock Exchange rule 162 (2) and the latest transaction was at 111p.

Mr Aaronson said the move to the USM, which is expected in April 1982 following publication of the accounts for the year to October, would be made by way of an introduction. No funds would be raised. The company expected to have no difficulty repaying the PFS loan.

GRA reported pre-tax profit in the six months to April 1981 of £228,000 (£218,000) on turnover of £5.8m (£5.6m). Operating profits before overheads were £800,000 (£834,000) and net rental income was £3,000 (£5,000). Interest payable was £238,000 (£284,000).

Conder behind and halves interim

TAXABLE PROFITS of Conder International for the half year to June 30 1981 fell from £808,000 to £524,000 after associate earnings of £110,000 were added this time. Turnover was £52.43m against £53.41m.

The interim dividend of this sector of steel-framed buildings will be halved to 1.5p. A total of 7p was paid last year. Earnings per 25p share are shown to have dropped from 8.7p to 5.5p.

Mr R. T. Cole, the chairman, says that as anticipated business was scarce and prices depressed, especially during the second

quarter. "There is as yet no evidence of an improvement in trading conditions. The outlook for the second half, therefore, remains depressed."

Tax took £71,000 against £85,000.

comment

Conder International went public in October 1979 and profits began tumbling shortly thereafter. Plagued by the steel and hostilities in the Middle East last year, it has been hard hit more recently by the

depressed state of the UK building industry. Conder's turnover has not slipped much, but its margins have been painfully squeezed and the hoped-for large overseas contracts have not yet come through. The balance-sheet remains strong, however, with practically no gearing and some £6m in cash at the year-end. In the full-year, pre-tax profits are not likely to be much over £1m and the final dividend may also be halved. The shares fell 14p yesterday to 112p where they have a prospective yield of 4.5 per cent. The market capitalisation is £9.1m.

Drayton Far Eastern's £4m call

DRAYTON Far Eastern Trust, a £12m investment trust in the Drayton Montagu stable, announced yesterday that it is asking shareholders for approximately £4.4m of new money. Most of the proceeds will be invested in Japanese equities and convertibles.

The rights offer is essentially eight ordinary shares and three warrants for every 20 ordinary shares held next Wednesday. The asking price for each new share is the net asset value per share of the Trust next Friday, with the warrants thrown in for nothing.

According to the managers, the issue will allow the company to invest further in Japan without disturbing its major oil and gas sector holdings in Australia.

The issue will comprise 4.4m new ordinary shares and 1.8m warrants and will be offered through 600,000 combined units.

For each 20 shares held, shareholders will get one combined unit, which is equivalent to eight ordinary shares and three warrants. The issue price of the combined units will be equivalent to eight times the net asset value of an existing ordinary share on August 14.

Each warrant will carry the right to subscribe for one new ordinary share at the August 14 net asset value every April between 1982 and 1991.

The directors are forecasting a final dividend for the year ending December 31 1981 of 0.8375p per share on the enlarged capital. This would make a total of 1.2375p, the same as last year.

The issue has been underwritten by Samuel Montagu and Co. Brokers and the issue are Cazenove and Co.

comment

This is the third time in the

past couple of weeks or so that investors have been asked to put up new money for the Far East. Since being caught with a lot of worthless dollar premium on its hands late in 1979 Drayton Far Eastern Trust has performed remarkably well with assets up 93 per cent in 18 months and the share price a whopping 154 per cent higher. Over the same period the discount has narrowed from around 30 per cent to less than 5 per cent. Shareholders may wonder why they have to pay net asset value for their shares—the answer is that the market value of the warrants are expected more than to make up the difference. The advantage of doing things this way is an avoidance of dilution. The purpose of the rights is to increase the Japanese exposure from 27 to around 50 per cent of the total and keep the Australian portfolio—which has proved highly rewarding—intact.

Heavier losses for Trafford Carpets

Although reducing its second half deficit by £100,000 to £65,333, Trafford Carpets (Holdings) reports a deepening of its losses from £136,816 to £174,333 in the full year to March 31 1981. Again no dividends are being paid for the year. Turnover of £1.2m (£1.1m) on turnover of £1.2m (£1.1m). Operating profits before overheads were £800,000 (£834,000) and net rental income was £3,000 (£5,000). Interest payable was £238,000 (£284,000).

Baker Perkins 'confident of recovery'

Sir Franklin Braithwaite, chairman of Baker Perkins Holdings, told the annual meeting in London yesterday that the directors "have confidence in our recovery prospects."

He said that last year was indeed a hard one but, as a result of the actions taken, the group's operating companies "are now certainly better placed to respond to the challenging and uncertain times that still seem to lie ahead."

Sir Franklin added that, as with last year, the major part of this year's profit would be earned in the second half and we shall see during this year a rapid and progressive recovery in profits.

Baker Perkins, based in Peterborough, makes machinery and equipment for the food, chemical, packaging and printing industries.

GROVEBELL

The Grovebell Group will not be paying the dividend for the six months ending September 30 on its 9 per cent cumulative preference shares.

Courtaulds economist lines up for top Law Land post

BY WILLIAM COCHRANE

THE CHIEF ECONOMIST of Courtaulds, Mr John Evans, was appointed yesterday to the board of Courtaulds Estates, which has taken its stake in the Law Land Company up to 88.89 per cent.

Mr Evans, who has held his present position for five years, will be appointed chief executive of Law Land "at the appropriate moment," Mr Oliver Marriot, chairman of Courtaulds, said yesterday.

For the previous five years Mr Evans was manager of Courtaulds Pension Fund which, at the time of the initial Courtaulds bid for Law Land in mid-July, held 12 per cent of the Courtaulds equity.

The Courtaulds had already said that the appointee to Law Land would not come from the property industry. Mr Marriot commented yesterday: "Apart from running people on a quite small scale, property is a question of making investment decisions."

Mr Evans told the Financial Times yesterday that, with the Courtaulds offer for Law Land extended and "certain" formalities to go through—which would include talking to the present Law Land board—he hoped that the transfer of executive responsibility would be "reasonably amicable."

On the comment by Sir Henry Warner, chairman of Law Land, that certain fund managers had acted with "undue haste" in their early acceptance of the Courtaulds bid, Mr Evans said: "Managing property does not require one to have been in it every day of the week to keep up with the trends—unlike textiles."

He had, he said, been on the Courtaulds Pension Fund committee ever since he left his

previous fund management role, and had kept in touch with the property market trends "all the time."

It is understood that the Courtaulds Pension Fund will be a substantial holder of the enlarged Courtaulds once the Law Land takeover has been concluded.

The Fund has been buying Law Land stock as a way into Courtaulds, but only since Courtaulds claimed victory in its takeover bid on July 23.

Mr Marriot described Mr Evans yesterday as "a man of slightly academic bent, but with a logical mind." On the present level of acceptance for Courtaulds' offer Mr Marriot said that given the strong resistance from the Law Land board, Courtaulds' reaction to the response so far was "good."

At yesterday's extraordinary general meeting of Courtaulds, the necessary resolutions to implement the Law Land bid were passed.

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Rank's £49m sale in Canada

RANK CITY WALL Canada, a wholly-owned subsidiary of the Rank Organisation, has accepted an offer of £49m (around £49m) for its Sheppard Centre property development in Toronto from a Canadian property company.

Contracts have not yet been exchanged and the Canadian company has asked not to be named at this stage; a spokesman for Rank yesterday described the buyer as "substantial."

The sale proceeds, which exceed the book value of the property, will be paid in cash and used to repay the redeemable cumulative preferred shares and certain borrowings of Rank City Wall Canada.

In March this year the Rank Organisation sold its share of a group of properties in the Marble Arch area of London's West End for a net £11.4m. In June it announced the closure of 29 cinemas, some of which were

expected to be turned into cash, contributing to the group's property of improving its balance sheet ratios.

The Bank of England announced yesterday that agreement had been reached in principle for the sale to the Royal Bank of Scotland of the premises at 21 West George Street, Glasgow—described as "clearly in excess of the Bank's reduced needs" following the abolition of exchange control.

SHARE STAKES

Combined Technologies Corp.—Denis J. Hulbert has acquired 300,000 ordinary shares at 12p. E. J. Riley—South Yorkshire County Superannuation Fund is interested in 6.515 per cent of the ordinary shares.

Dunbar Group—Family interests of D. M. Backhouse, director, on July 31 sold 7,500 shares at 515p. B. Banks, director, on July 30 sold 4,000 shares at 511p. R. Porter, director, on July 30 sold 1,500 shares at 511p.

Premier Consolidated Oilfields—R. J. O. Lascelles, director, has acquired 50,000 shares by exercise of options under executive share scheme and disposed of 116,000 shares at 75.5p leaving holding nil.

Hoovering Group—Colquhoun Holdings has increased its holding from 570,000 restricted voting ordinary shares to a total of 820,000 shares (10.17 per cent of the shares of that class).

American Trust—Edinburgh Fund Managers have advised

that their holding of B ordinary shares now represents 10.77 per cent of that class of share (previously 9 per cent). This is a result of the conversion by shareholders of B ordinary shares into ordinary shares on July 31.

Steel Brothers Holdings—The Tansworth Holdings SA, interested in the ordinary shares has been increased from 1,169,000 to 1,389,000 shares, which represents 12.5 per cent of the voting.

International Investment Trust—Prudential Corporation has purchased 320,000 ordinary shares making holding 2,389,930 (7 per cent).

East of Scotland Dairies—Industrial and General Trust holds 1,149,500 shares (11.49 per cent).

London and Garmore Investments—Rita Joan Thomson now holds 393,514 shares (9.94 per cent).

Brooke Tool Engineering (Holdings)—ITC Pension Trust jointly with ITC Pension Investments interested in 950,000 shares. Imperial Group is interested in these shares.

ORE talks on merger

Discussions are underway between the boards of Ores Research Equipment, a U.S. supplier of underwater acoustic instrumentation, and its former U.K. subsidiary—ORE—with a view to agreeing terms for a merger between the two companies.

ORE, which is based in Great Yarmouth, said yesterday that its two companies were instructing their financial advisers and a further announcement would be made as soon as possible.

The merger talks come less than a year after ORE was floated on the Stock Exchange by its U.S. parent under Rule 144 of the Securities Act of 1933. The merger was announced in July 1979, raised £203,000 after expenses by way of a placing of 37 per cent of its shares at 87p a share under Rule 144. Since then, the U.S. parent's holding was reduced from 63 per cent to 50 per cent.

The Stock Exchange has been running down the number of companies permitted to trade under Rule 144 since it created the special market for Unlisted Securities. It has told most companies trading under Rule 144 that it expects them to transfer to the USM by the end of the year or lose their permission to deal.

FULCRUM INVEST/CONSTRUCTION HLDS.

Fulcrum Investment Trust, which is making an offer to acquire Construction Holdings, yesterday cast doubt on Construction's asset value.

In a letter to shareholders urging them to accept the offer by next Tuesday, when it will be put to a vote, Fulcrum said that the stock market since mid-June means that Construction's assets must now be closer to 215p a share than the stated 236p.

Fulcrum is offering either 1.5 own shares or 215.32p a share in cash.

BRITISH LAND

The following purchases of stock by subsidiaries of the British Land Group are announced: £225,000 Regis Property Company 8.5 per cent loan stock at 58.75p by British Land Securities and £100,000 United Kingdom Property Company 8.5 per cent unsecured loan stock at 87.5p by Finance for the West.

NO PROBE

The proposed merger of Consolidated Gold Fields and substantial minority interest in Newmont Mining Corporation is not to be referred to the Monopolies Commission.

ASSOCIATE DEAL

Laing and Crickbank purchased for the account of Courtaulds Pension Fund, an associate of Courtaulds Estates, 100,000 Law Land ordinary at 113p, £85,000 7 per cent unsecured loan stock at £219 and £80,000 7 per cent unsecured loan stock at £218.

Illingworth Morris meeting on October 1

THE extraordinary meeting requisitioned by Mrs Pamela Mason to remove three directors from the board of Illingworth Morris will be held on October 1.

The Illingworth board will send out in good time a circular giving reasons why it is essential for ordinary stockholders to reject the proposals. Rejection of the proposals by stockholders, employees, customers and suppliers, the board asserts.

In the meantime, ordinary holders are urged to vote against

the resolutions. The board is fully supported by its financial advisers Hill Samuel.

Mrs Mason's proposal is to remove from the board Mr David Hanson (chairman), Mr Peter Hardy and Mr Thomas Yeardey.

The board draws stockholders' attention to the fact that the notice requisitioning the meeting was not accompanied by nominations for any alternative executive directors, despite Mrs Mason's claim that "a new

management team will be announced shortly."

Mrs Mason's proposals would result in a company with sales of some £100m and more than 5,000 employees which would then be without the leadership of the two joint chief executives, and whose board would consist of two executive directors residing in the UK, and two non-executive directors in the U.S.

In view of the intervening holiday period the board feels most appropriate to hold the

requisitioned EGM on the same date as the AGM, the date at which has now been fixed for October 1.

The stock units used to requisition the meeting are held by Mrs Mason in a fiduciary capacity only, as part of the estate of the late Isidor Oster. Her position as sole executrix is the subject of an action in the High Court brought by the principle beneficiary of that estate who is petitioning for the appointment of a judicial trustee.

Results due next week

Composite insurance companies report their half-yearly results this year under the shadow of Allianz's purchase of a near 30 per cent stake in Eagle Star earlier this year. This highlighted the wide gap between poor profit performance and high net worth of the industry, making composites attractive to overseas buyers. Commercial Union reporting on Tuesday said that its results were a favourite for the next dawn raid and its large U.S. exposure will almost certainly send underwriting losses soaring and pre-tax profits plunging. The market expects underwriting losses much more than to double to £50m, leading to a one-third cut in overall profits to £40m.

General Accident also reports on Tuesday and its U.S. business could send underwriting losses climbing by half to £37m. But strong growth in investment income should result in a modest pre-tax profit rise to £45m. On its results alone, GU could not justify any lift in the interim dividend. But fears of predators waiting to pounce could force

the company to increase the dividend for defensive reasons. GU is justified in making a 10 per cent plus increase in dividend.

It is only a few weeks since shareholders at Taylor Woodrow's annual meeting were told that profits were running at about the same level as in 1980. Analysts have taken their cue from that statement in arriving at a consensus forecast of Tuesday's interim profits; most are looking for a slight improvement from £2.2m before tax to about £2.5m. Satisfactory news of incoming orders—TW has taken £100m of new contracts over the past six months in Nigeria alone—helps to encourage full-year estimates of £26m (against £24.8m), or even slightly more.

The 3p Diamond Jubilee dividend paid last year is expected to be consolidated with this year's final.

for the six months ended June 30. All divisions are losing money, with the exception of domestic appliances and KFW, the new electrical U.S. subsidiary. British Aluminium, controlled by TI and also reporting on Wednesday, is expected to turn in losses of £5m to £7m. TI's trading is expected to pick up slightly in the second half, putting full-year losses in the £22m to £25m range, and most analysts predict a return to profits in 1982.

Ocean Transport profits nearly doubled last year to £55m as the group's main shipping lines, to West Africa, the Middle East and the Far East staged good recoveries. These trades are believed to have remained strong in the first half of the current year, but the overall results, which are due on Tuesday, may have been substantially affected by the UK recession and labour disputes. The seamen's strike early in the year was not serious but the dockers' strike at Southampton may have had a significant impact on the 34 per cent owned Overseas Containers. Another difficult factor to

measure is the net impact of exchange rate fluctuations. Estimates of interim profits vary from about £13m to £17m compared with £16.7m last year. The interim dividend will be raised a little from last year's 4.3p.

Textile analysts are trying to decide how large the losses might be at Carrington Viella, which reveals its interim results next Thursday. With sector-wide problems continuing, the company is expected to make a pre-tax loss of between £20m and £30m. A year ago the pre-tax loss was £12m and at the end of last year the group reported a pre-tax loss of more than £30m. Earnings are being reduced, but the 6-month interest charges could be as much as £4m.

Among other results due next week are interim figures from Transport Development Group on Monday, Smith and Nephew on Tuesday, F. W. Woolworth on Wednesday, BOC International on Thursday, BOC International on Thursday, BOC International on Thursday, BOC International on Thursday.

Philip Harris in stronger position

CAUTIOUS OPTIMISM for the current year at Philip Harris (Holdings) is expressed by Mr N. H. Russell, the chairman, in his annual statement. He says that the group's manufacturing of scientific apparatus and materials for education and pharmaceutical wholesalers is even stronger than it was a year ago.

The fire, in February, meant that the group was unable to fulfil Science Education orders. The rebuilding of the warehouse is expected to be completed by the end of 1981. The company was fully covered by insurance.

The accounts show a sum of £1.25m due in respect of the claim but no credit for this item was included in the profit for the year.

The year benefited from the development of the group overseas operations.

British Northrop hit by worldwide depression

A PRE-TAX loss of £483,118 was incurred by British Northrop for 1980. The previous year's loss was £1,02m. Turnover was marginally less at £17.2m against £17.8m. As before, no dividends will be paid.

This holding company has interests in manufacturing and distribution of textile machinery and accessories and estate development.

At half time there had been a pre-tax loss of £104,000 compared with a loss of £198,000.

The directors say that the worldwide economic depression which conditioned the result of the first six months, deteriorated further during the latter part of the year and, as indicated in the interim announcement, a combination of low order input and a short-term working has resulted in the net deficit, after bank interest.

They add that order input levels in the first half of 1981 have been particularly encouraging and there are now indications from some traditional overseas markets of a reversal of the trend of difficult trading conditions experienced over the past three years.

With the measures taken to reduce overhead expenditure and the return to full-time working, the group should be capable of a return to net profitability in 1981.

The pre-tax loss was struck after interest of £442,373 (£399,883) and exceptional debits of £70,787 (£387,102). There was a tax credit of £7,178 compared with a debit of £9,138 and the loss attributable came through at £445,940 (£1,02m).

Loss per 30p share is stated at 25.65p (£8.15p).

Company	Announcement due	Dividend (p)	Last year	This year
Allen (W. G.) & Sons (Tipton)	Thursday	0.8	2.308	0.8
Anglo Foods	Wednesday	—	—	—
Assam Trading (Holdings)	Wednesday	—	1.25	—
Benn Brothers	Wednesday	1.1	2.3	1.1
Brody Industries	Monday	1.5	2.75	1.5
Brook Farm	Friday	1.2175	3.75	1.25
Ev-Lands	Monday	1.0	1.8	1.1
Group Investors	Tuesday	0.8	1.2	0.8
Howard Sherrington (Holdings)	Tuesday	0.8	1.2	0.8
Kennedy Smith	Tuesday	1.0	2.5	1.0
Malaysia Rubber	Thursday	0.5	1.3	0.5
Mazda Caledonia Int. Trust	Monday	0.8	1.75	0.8
Nessend	Friday	1.015	2.3015	1.0
Nilon	Wednesday	0.8	2.7	0.8
Pico	Friday	1.6	3.2	1.76
Property Security Inv. Trust	Friday	0.4	1.04	0.5
Scottish English & European Textiles	Wednesday	0.8	1.9	0.8
Star Group	Thursday	0.5	0.775	0.5
Woodrow Wyatt (Holdings)	Friday	1.0	1.5	0.5

Company	Announcement due	Dividend (p)	Last year	This year
Davis Estates	Wednesday	0.5	0.83	0.5
Davis & Mott	Tuesday	0.45	1.02	0.45
Dreamland Electrical Appliances	Wednesday	0.35	0.85	0.35
Gen. Accident Fire & Life Assur. Co.	Tuesday	6.25	7.25	6.25
Jobst Precision Engineering Ltd.	Monday	0.8	1.85	0.8
Jordan (Thomas)	Friday	1.75	3.5	1.75
Manchester Ship Canal	Monday	7.5	—	7.5
Mercantile Investment Trust	Monday	0.8	1.75	0.8
Ocean Transport & Trading	Tuesday	4.3	4.7	4.3
Reichelt (Great Bridge)	Thursday	0.75	0.75	0.75
Re. Brothers	Thursday	1.85	1.85	1.85
Securcor Group	Wednesday	0.5	1.1	0.5
Smith & Nephew Associated Co's.	Tuesday	1.15556	2.3111	1.15556
Taylor Woodrow	Tuesday	4.3	7.15	4.3
Transport Development Group	Monday	1.45	2.8	1.45
Tubs Investments	Wednesday	12.5	2.5	12.5
Ultrama	Thursday	0.4	0.4	0.4
Whitingham (Wm.) Holdings	Thursday	2.25	4.5	2.25
Woolworth (F. W.)	Wednesday	1.225	3.5625	1.225

* Dividends shown net of tax and subject to any intervening scrip issues. † Third quarter figures. ‡ Total of first and second interim dividends. § Includes a special dividend.

expressed as per cent of the convertible stock is convertible. If the stock is convertible at a rate of convertible or the final annuity of income on E100 of the income of the underlying stock as per cent of the value of conversion, This is not

Firm tone in equities maintained and 30-share index closes 19.4 up on Account—Gilts quietly steady

Account Dealing Dates
Option
 *First Declared Last Account
 July 27 Aug 6 Aug 7 Aug 17
 Aug 20 Aug 26 Aug 31 Sept 7
 Aug 28 Sept 10 Sept 11 Sept 21
 New-time dealings may take place from 3.30 am two business days earlier.

With the exception of the occasional flurry of activity in the current speculative favourites and a further revival in South African gold mining shares, the last day of the trading Account in London stock markets was largely uneventful. The continuing paucity of business was reflected in the 30-share index, which held close to overnight closing levels.

The continuing fall in sterling against the dollar was again the major restraining influence in the gilt-edged market. But quotations in the sector fluctuated only narrowly throughout the day and ended the day with fractional movements either way. The Government securities index closed 0.03 lower at 64.00 for a fall of 0.48 on the week.

A further modest advance in the industrial leaders maintained the recent gradual improvement. The FT 30-share index rose 3.6 more to 538.0, which brought the rise on the Account to 18.4. The bulk of yesterday's gain in the index took place after 3 pm, at which time the registered improvement was only 0.4, when

dealings are permitted without penalty for the new Account starting on Monday. Of the few noteworthy movements, Thorn EMI gained 14 to 475p following the full report and GEC put on 10 to 775p.

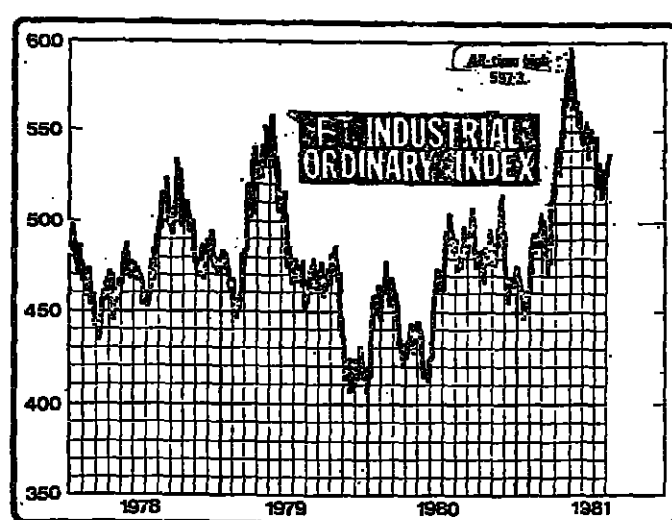
The battle for control of Orefex continued with yet another bid from the latter worth 175p per share. Among the factors, Composite Insurance shares turned easier awaiting next Tuesday's interim results from Commercial Union.

Fresh selective support for South African gold mining shares was reflected in a rise of 11.9 for a two-day gain of 21.3 in the Gold Mines index.

Traded options ended the week on a quiet note with only 914 contracts being completed. The week's daily average amounted to 1,047. British Petroleum attracted a useful business and recorded 88 calls and 144 puts. Demand for RTZ positions declined slightly, but 188 calls were struck with 56 in the August 550's and 59 in the November 600's.

Barclays up again

Comment on the better-than-expected interim results prompted a further improvement of 7 in Barclays making a two-day gain of 21 to a 1981 peak of 457p. The other major clearers



closed narrowly mixed. Elsewhere, the Scottish TUC's strong opposition to the proposed merger involving the Royal Bank of Scotland led the latter down at 185p. Standard Chartered, the original bidder for R.B.S. and an unsettled market of late on reports of a large issue of shares, overvalued the market, rallied 8 to 655p. Ahead of Monday's one-for-five share subdivision, Hambros added 10 to 820p. Leopold Joseph put on 5 to 290p.

Still reflecting U.S. bid speculation, a large selling order left its mark on Taylor Woodrow, which shed 10 to 555p; the half-yearly results are due next Tuesday. Rugby Portland Cement eased a penny to a 1981 low of 65p, but Turnar, 378p, and E.P.R. (London) 385p, both of which were of peace apiece, Phoenix Timber, marked down to 94p on the annual loss and dividend omission, rallied late to close just a penny cheaper on balance at 101p, but Conder International dropped 14 to 112p on the reduced interim profits and dividend. Barrat Developments attracted new-time interest and rose 6 to 228p. Elsewhere, French cement company Lafarge rose 11 points to 237.

Interest in ICI was at a low

Vickers continued to stand out among the Engineering leaders, rising 3 pence to take its gain on the week to 14 at 173p as buyers remained enthused by Wednesday's announcement of the Nigerian tank order. GKN put on 3 to 148p and John Brown hardened 2 to 86p. Secondary issues were featured by Rathfarnham (Great Bridge), which rose 7 to 70p on revived speculative support. British Northrop hardened a couple of pence despite news of the annual dividend while improvements of 3 and 4 respectively were seen in Enfield Steel, 55p, and Hallite, 132p.

Further demand ahead of the latest results date early next month, lifted Cadbury Schweppes 1 to 83p for a gain on the week of 8. Other leading Foods attracted an evenly balanced business and closed little changed. Elsewhere, recently weak Avaya rallied 7 to 275p, while renewed demand in a thin market lifted Nichols (Vintio) 10 to a 1981 peak of 240p.

Down 7 pence Thursday on the surprise £26.4m rights issue proposal, Ladbroke rallied 4 to 160p.

Unilever good

A jump of 17 to 582p in Unilever reflected switching operations from the group's N/V shares, which closed 1 dealer at 181. Elsewhere in miscellaneous industrials, Rank Organisation rose 7 to 160p on the sale of its Sheppard Centre property in Toronto for about £48m. Bearcham, which closed 1 dealer at 380p, while BOC International hardened 2 pence to 147p. BOC's third-quarter figures are due on Wednesday. Elsewhere, Orefex jumped 11 to 175p to match the terms of the latest cash offer from Gallaher, while Fergerson Industrial added 8 to 82p following better-than-expected first-quarter results. Renewed speculative buying lifted English China Clay 4 more to 140p and Barget, a net gain of 2 to 175p. Moss Bros. encountered profit-taking and shed 7 to 148p, while Fortnum and Mason were similarly affected and eased 10 to 900p, still up 50 on the week.

Thorn EMI feature

Leading Electricals ended the Account on a firm note. Thorn EMI featured with a gain of 14 to a 1981 peak of 478p on investment buying in the wake of the chairman's optimistic annual statement. GEC were also supported to a year's high of 775p, up 10 on balance. Plessey rallied after-hours to finish a dealer at 352p, after 350p. Elsewhere, Automated Security gained 5 at 338p, Ensign Lighting firmed 6 to 137p and Derrington put on 2 to 16p. Car Electronics, on the other hand, lost 5 to 107p.

105p per share from Mills and Allen, 10 better at 453p. Longdon Industrial, on the other hand, lost 4 to 43p on the dividend reduction and 50.6m deficit.

Horizon Travel firmed 4 to 270p for a gain on the week of 30 ahead of half-yearly results due on August 17. Elsewhere in the Leisure sector, Pleasurem improved 5 to 318p.

Motor sectors passed another quiet session. Down 2 for a two-day gain of 9 at 239p, while Lucas rose 3 to 200p. Among Distributors, Adams and Gibson shed a couple of pence to 83p following the interim figures.

Shell better

Contrasting movements among advertising issues were provided by Geers Gross, which firmed 4 to 128p, and Saatchi and Saatchi, 8 cheaper at 330p.

Properties drifted down on small end-Account offerings. Land Securities softened 2 to 322p and HEPC a penny to 238p. Elsewhere, Thames Investments, at 192p, relinquished 8 of the previous day's speculative gain of 15.

Shell rose 4 to 402p on confirmation of the 51p a gallon petrol price increase. Other oils trended easier in thin trading. British Petroleum settling 4 cheaper on balance at 320p, after 318p. Ultramar shed 5 to 515p ahead of interim results due next Thursday. Among Irish Oils, Atlantic Resources, a few pence easier at one stage, picked up in late dealings to close a net 15 higher at 315p, while Eglinton gained 10 to 125p. Gaelic, however, lost 5 to 105p on the week's gain of 10 to 195p on the merger talks with Ocean Research Equipment Incorporated.

Among Overseas Traders, Paterson Zochonis came in for renewed investment support and rallied 10 to 120p. Australian Agriculture, on the other hand, encountered scattered offerings and dipped 9 to 173p.

Financials were again featured by Mercantile House which attracted further good quality

FINANCIAL TIMES STOCK INDICES

	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Year 1981
Government Secs.	64.00	64.00	64.00	63.68	63.65	64.48	69.81	
Fixed Interest	63.94	63.97	63.79	63.76	63.16	66.24	70.68	
Industrial Ord.	558.0	554.4	552.0	528.6	528.1	528.1	481.1	
Gold Mines	337.6	338.7	316.3	317.9	319.6	324.1	379.0	
Ord. Div. Yield	5.86	5.90	5.92	5.97	5.95	5.95	7.53	
Earnings, Yld. (10/11)	10.64	10.76	10.86	10.94	10.96	10.96	17.72	
P/E Ratio (net) (10/11)	11.69	11.82	11.88	11.60	11.88	11.58	6.83	
total bargains	10,580	16,418	14,260	16,367	14,990	14,931	20,696	
Equity turnover 2m.	130.20	106.97	86.78	72.29	78.03	115.52		
Equity bargains	14,784	11,064	10,751	10,188	9,916	15,092		

10 am 523.0. 11 am 534.8. Noon 535.3. 1 pm 535.1.
 2 pm 535.1. 3 pm 534.8.
 Latest index 01-246 8025.
 Nil=10.02.

Basis 100 Govt. Secs. 15/10/76. Fixed Int. 1925. Industrial Ord. 1/7/75. Gold Mines 12/9/75. SE Activity 1974.
 † Correction.

HIGHS AND LOWS S.E. ACTIVITY

	1981	Since Completion	Aug. 6	Aug. 5
Govt. Secs.	70.01 (20/1)	63.12 (1/10)	127.4 (1/10)	49.18 (1/10)
Fixed Int.	72.01 (20/1)	65.26 (1/10)	150.4 (1/10)	50.53 (1/10)
Ind. Ord.	597.5 (20/1)	446.0 (1/10)	597.5 (1/10)	597.5 (1/10)
Gold Mines	421.1 (20/1)	262.6 (22/8/81)	558.9 (26/10/71)	43.5 (26/10/71)

Support and advanced 20 for a gain on the week of 85 at 825p; the nil-paid jumped another 17 to 175p premium, 77 above last Monday's opening level. Smith Brothers eased 2 to 34p, but belated response to the chairman's cautious remarks on current trading which accompanied the annual results.

Few movements of note were discernible in the idle Trade Goods sector. A Press mention aided Leeds and District Dyes, 2 to the good at 57p, but the increased full-year deficit clipped a penny from Trafford Carmine, 20p.

South African industries took on a firmer stance. Greatmans Stores, 530p, and OK Bazaars, 545p, rose 25 apiece.

Plantations also closed with a firmer bias. Malakoff, 115p, and Highlands and Lowlands, 68p, both added 4.

RTZ in demand

Rio Tinto-Zinc were in demand again in mining shares, with the interest fuelled by bid speculation and firmer base metal prices. The price put on 10 to a high for 1981 of 809p. The other London Financials were also firm, with Consolidated Gold Fields 5 better at 478p. Charter Consolidated, at 270p, and Tanks, at 327p, held unchanged.

South African Golds opened higher in line with the bullion price and retained their gains, despite gold falling away during the day, largely because of stock shortages.

Many of the heavyweights showed gains of a point and more, as in Western Holdings, £20, Vaul Refs, £31, President Brand, £21, and Western Deep Levels, £21, while, among the lower-priced issues, Welkom, £77p, Durban Deep, £12p, ERPM, £85p and Kinross, £44p, all closed around former. The Gold Mines index gained 11.9 to 337.6, and gold closed \$350 up at \$399 an ounce.

South African Financials were also firm, with Johannesburg a 1981 high of £37, after a rise of a point, and Genor also at a peak of £10, up 1. Gold Fields of South Africa gained 11 to £40.

The Bermuda-registered Minarco, the previous day's star performer, closed 10 lower at 620p after touching 700p.

In Platinums, Lydenburg, 175p, and Rustenburg, 270p, made up some of the ground lost on Thursday, while, in Kampala, with advances of 5 pence.

This remained quiet, but were featured by Renouveau, jumping 55 to 330p in response to Malaysian demand in a thin market. Gevoor put on 15 to a high for the year of 160p following the recent strength in metal prices.

NEW HIGHS AND LOWS FOR 1981

	NEW HIGHS (96)	NEW LOWS (34)
AMERICANS (19)	1112	1112
BANKS (12)	1112	1112
BUILDINGS (1)	1112	1112
COMMODITIES (28)	1112	1112
ELECTRICIANS (1)	1112	1112
ENGINEERING (1)	1112	1112
FOODS (2)	1112	1112
INDUSTRIALS (18)	1112	1112
MOTORS (1)	1112	1112
SOUTH AFRICANS (13)	1112	1112
TRUSTS (19)	1112	1112
OT & GAS (12)	1112	1112
MINES (5)	1112	1112
NEW LOWS (34)		
FOREIGN BONDS (1)		
BANKS (15)		
Alexander's Bank, S. Aubin		
Allen Harvey Ross, London Scot. Fin.		
First Nat. Warrington, London Scot. Fin.		
First Nat. Warrington, London Scot. Fin.		
Rugby Port. Cement		

RISES AND FALLS

	Yesterday	On the week
British Funds	Up 12	Up 10
Corpor. Dom. & Foreign Bonds	4	17
Industrials	301	167
Financial and Property	101	1003
Gold Mines	23	27
Plantations	6	1
Minerals	8	14
Others	91	32
Totals	531	352

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS	Fri., Aug. 7, 1981					Thurs. Aug. 6					Week. Aug. 5					Tues. Aug. 4					Mon. Aug. 3					Year ago (approx.)					Highs and Lows Index																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
	Index No.	Day's Change %	Est. Yield (Mils.)	Gross Yield (Mils.)	Est. P/E Ratio (Oct at 30%)	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index 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FT UNIT TRUST INFORMATION SERVICE

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1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429																																								
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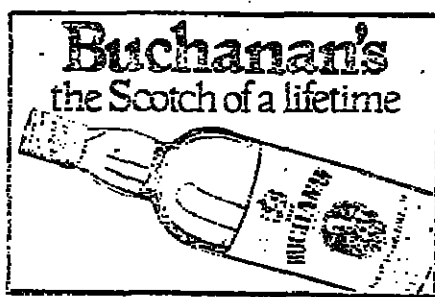
**INSURANCE
PROPERTY
BONDS**

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OFFSHORE & OVERSEAS FUNDS

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FT SHARE INFORMATION SERVICE

FOOD, GROCERIES—Cont.

[illegible]

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INVESTMENT TRUSTS—Cont.

OIL AND GAS—Continued



MINES—Continued

Australian

Stock	Price	%	Div	Yield
Anglo 50c	48	+	0.25	0.52
Anglo 10c	18	+	0.10	0.56
Anglo 20c	28	+	0.20	0.71
Anglo 30c	38	+	0.30	0.79
Anglo 40c	48	+	0.40	0.83
Anglo 50c	58	+	0.50	0.86
Anglo 60c	68	+	0.60	0.88
Anglo 70c	78	+	0.70	0.90
Anglo 80c	88	+	0.80	0.91
Anglo 90c	98	+	0.90	0.92
Anglo 1.00	108	+	1.00	0.93
Anglo 1.10	118	+	1.10	0.94
Anglo 1.20	128	+	1.20	0.95
Anglo 1.30	138	+	1.30	0.96
Anglo 1.40	148	+	1.40	0.97
Anglo 1.50	158	+	1.50	0.98
Anglo 1.60	168	+	1.60	0.99
Anglo 1.70	178	+	1.70	1.00
Anglo 1.80	188	+	1.80	1.01
Anglo 1.90	198	+	1.90	1.02
Anglo 2.00	208	+	2.00	1.03
Anglo 2.10	218	+	2.10	1.04
Anglo 2.20	228	+	2.20	1.05
Anglo 2.30	238	+	2.30	1.06
Anglo 2.40	248	+	2.40	1.07
Anglo 2.50	258	+	2.50	1.08
Anglo 2.60	268	+	2.60	1.09
Anglo 2.70	278	+	2.70	1.10
Anglo 2.80	288	+	2.80	1.11
Anglo 2.90	298	+	2.90	1.12
Anglo 3.00	308	+	3.00	1.13
Anglo 3.10	318	+	3.10	1.14
Anglo 3.20	328	+	3.20	1.15
Anglo 3.30	338	+	3.30	1.16
Anglo 3.40	348	+	3.40	1.17
Anglo 3.50	358	+	3.50	1.18
Anglo 3.60	368	+	3.60	1.19
Anglo 3.70	378	+	3.70	1.20
Anglo 3.80	388	+	3.80	1.21
Anglo 3.90	398	+	3.90	1.22
Anglo 4.00	408	+	4.00	1.23
Anglo 4.10	418	+	4.10	1.24
Anglo 4.20	428	+	4.20	1.25
Anglo 4.30	438	+	4.30	1.26
Anglo 4.40	448	+	4.40	1.27
Anglo 4.50	458	+	4.50	1.28
Anglo 4.60	468	+	4.60	1.29
Anglo 4.70	478	+	4.70	1.30
Anglo 4.80	488	+	4.80	1.31
Anglo 4.90	498	+	4.90	1.32
Anglo 5.00	508	+	5.00	1.33
Anglo 5.10	518	+	5.10	1.34
Anglo 5.20	528	+	5.20	1.35
Anglo 5.30	538	+	5.30	1.36
Anglo 5.40	548	+	5.40	1.37
Anglo 5.50	558	+	5.50	1.38
Anglo 5.60	568	+	5.60	1.39
Anglo 5.70	578	+	5.70	1.40
Anglo 5.80	588	+	5.80	1.41
Anglo 5.90	598	+	5.90	1.42
Anglo 6.00	608	+	6.00	1.43
Anglo 6.10	618	+	6.10	1.44
Anglo 6.20	628	+	6.20	1.45
Anglo 6.30	638	+	6.30	1.46
Anglo 6.40	648	+	6.40	1.47
Anglo 6.50	658	+	6.50	1.48
Anglo 6.60	668	+	6.60	1.49
Anglo 6.70	678	+	6.70	1.50
Anglo 6.80	688	+	6.80	1.51
Anglo 6.90	698	+	6.90	1.52
Anglo 7.00	708	+	7.00	1.53
Anglo 7.10	718	+	7.10	1.54
Anglo 7.20	728	+	7.20	1.55
Anglo 7.30	738	+	7.30	1.56
Anglo 7.40	748	+	7.40	1.57
Anglo 7.50	758	+	7.50	1.58
Anglo 7.60	768	+	7.60	1.59
Anglo 7.70	778	+	7.70	1.60
Anglo 7.80	788	+	7.80	1.61
Anglo 7.90	798	+	7.90	1.62
Anglo 8.00	808	+	8.00	1.63
Anglo 8.10	818	+	8.10	1.64
Anglo 8.20	828	+	8.20	1.65
Anglo 8.30	838	+	8.30	1.66
Anglo 8.40	848	+	8.40	1.67
Anglo 8.50	858	+	8.50	1.68
Anglo 8.60	868	+	8.60	1.69
Anglo 8.70	878	+	8.70	1.70
Anglo 8.80	888	+	8.80	1.71
Anglo 8.90	898	+	8.90	1.72
Anglo 9.00	908	+	9.00	1.73
Anglo 9.10	918	+	9.10	1.74
Anglo 9.20	928	+	9.20	1.75
Anglo 9.30	938	+	9.30	1.76
Anglo 9.40	948	+	9.40	1.77
Anglo 9.50	958	+	9.50	1.78
Anglo 9.60	968	+	9.60	1.79
Anglo 9.70	978	+	9.70	1.80
Anglo 9.80	988	+	9.80	1.81
Anglo 9.90	998	+	9.90	1.82
Anglo 10.00	1008	+	10.00	1.83
Anglo 10.10	1018	+	10.10	1.84
Anglo 10.20	1028	+	10.20	1.85
Anglo 10.30	1038	+	10.30	1.86
Anglo 10.40	1048	+	10.40	1.87
Anglo 10.50	1058	+	10.50	1.88
Anglo 10.60	1068	+	10.60	1.89
Anglo 10.70	1078	+	10.70	1.90
Anglo 10.80	1088	+	10.80	1.91
Anglo 10.90	1098	+	10.90	1.92
Anglo 11.00	1108	+	11.00	1.93
Anglo 11.10	1118	+	11.10	1.94
Anglo 11.20	1128	+	11.20	1.95
Anglo 11.30	1138	+	11.30	1.96
Anglo 11.40	1148	+	11.40	1.97
Anglo 11.50	1158	+	11.50	1.98
Anglo 11.60	1168	+	11.60	1.99
Anglo 11.70	1178	+	11.70	2.00
Anglo 11.80	1188	+	11.80	2.01
Anglo 11.90	1198	+	11.90	2.02
Anglo 12.00	1208	+	12.00	2.03
Anglo 12.10	1218	+	12.10	2.04
Anglo 12.20	1228	+	12.20	2.05
Anglo 12.30	1238	+	12.30	2.06
Anglo 12.40	1248	+	12.40	2.07
Anglo 12.50	1258	+	12.50	2.08
Anglo 12.60	1268	+	12.60	2.09
Anglo 12.70	1278	+	12.70	2.10
Anglo 12.80	1288	+	12.80	2.11
Anglo 12.90	1298	+	12.90	2.12
Anglo 13.00	1308	+	13.00	2.13
Anglo 13.10	1318	+	13.10	2.14
Anglo 13.20	1328	+	13.20	2.15
Anglo 13.30	1338	+	13.30	2.16
Anglo 13.40	1348	+	13.40	2.17
Anglo 13.50	1358	+	13.50	2.18
Anglo 13.60	1368	+	13.60	2.19
Anglo 13.70	1378	+	13.70	2.20
Anglo 13.80	1388	+	13.80	2.21
Anglo 13.90	1398	+	13.90	2.22
Anglo 14.00	1408	+	14.00	2.23
Anglo 14.10	1418	+	14.10	2.24
Anglo 14.20	1428	+	14.20	2.25
Anglo 14.30	1438	+	14.30	2.26
Anglo 14.40	1448	+	14.40	2.27
Anglo 14.50	1458	+	14.50	2.28
Anglo 14.60	1468	+	14.60	2.29
Anglo 14.70	1478	+	14.70	2.30
Anglo 14.80	1488	+	14.80	2.31
Anglo 14.90	1498	+	14.90	2.32
Anglo 15.00	1508	+	15.00	2.33
Anglo 15.10	1518	+	15.10	2.34
Anglo 15.20	1528	+	15.20	2.35
Anglo 15.30	1538	+	15.30	2.36
Anglo 15.40	1548	+	15.40	2.37
Anglo 15.50	1558	+	15.50	2.38
Anglo 15.60	1568	+	15.60	2.39
Anglo 15.70	1578	+	15.70	2.40
Anglo 15.80	1588	+	15.80	2.41
Anglo 15.90	1598	+	15.90	2.42
Anglo 16.00	1608	+	16.00	2.43
Anglo 16.10	1618	+	16.10	2.44
Anglo 16.20	1628	+	16.20	2.45
Anglo 16.30	1638	+	16.30	2.46
Anglo 16.40	1648	+	16.40	2.47
Anglo 16.50	1658	+	16.50	2.48
Anglo 16.60	1668	+	16.60	2.49
Anglo 16.70	1678	+	16.70	2.50
Anglo 16.80	1688	+	16.80	2.51
Anglo 16.90	1698	+	16.90	2.52
Anglo 17.00	1708	+	17.00	2.53
Anglo 17.10	1718	+	17.10	2.54
Anglo 17.20	1728	+	17.20	2.55
Anglo 17.30	1738	+	17.30	2.56
Anglo 17.40	1748	+	17.40	2.57
Anglo 17.50	1758	+	17.50	2.58
Anglo 17.60	1768	+	17.60	2.59
Anglo 17.70	1778	+	17.70	2.60
Anglo 17.80	1788	+	17.80	2.61
Anglo 17.90	1798	+	17.90	2.62
Anglo 18.00	1808	+	18.00	2.63
Anglo 18.10	1818	+	18.10	2.64
Anglo 18.20	1828	+	18.20	2.65
Anglo 18.30	1838	+	18.30	2.66
Anglo 18.40	1848	+	18.40	2.67
Anglo 18.50	1858	+	18.50	2.68
Anglo 18.60	1868	+	18.60	2.69
Anglo 18.70	1878	+	18.70	2.70
Anglo 18.80	1888	+	18.80	2.71
Anglo 18.90	1898	+	18.90	2.72
Anglo 19.00	1908	+	19.00	2.73
Anglo 19.10	1918	+	19.10	2.74
Anglo 19.20	1928	+	19.20	2.75
Anglo 19.30	1938	+	19.30	2.76
Anglo 19.40	1948	+	19.40	2.77
Anglo 19.50	1958	+	19.50	2.78
Anglo 19.60	1968	+	19.60	2.79
Anglo 19.70	1978	+	19.70	2.80
Anglo 19.80	1988	+	19.80	2.81
Anglo 19.90	1998	+	19.90	2.82
Anglo 20.00	2008	+	20.00	2.83
Anglo 20.10	2018	+	20.10	2.84
Anglo 20.20	2028	+	20.20	2.85
Anglo 20.30	2038	+	20.30	2.86
Anglo 20.40	2048	+	20.40	2.87
Anglo 20.50	2058	+	20.50	2.88
Anglo 20.60	2068	+	20.60	2.89
Anglo 20.70	2078	+	20.70	2.90
Anglo 20.80	2088	+	20.80	2.91
Anglo 20.90	2098	+	20.90	2.92
Anglo 21.00	2108	+	21.00	2.93
Anglo 21.10	2118	+	21.10	2.94
Anglo 21.20	2128	+	21.20	2.95
Anglo 21.30	2138	+	21.30	2.96
Anglo 21.40	2148	+	21.40	2.97
Anglo 21.50	2158	+	21.50	2.98
Anglo 21.60	2168	+	21.60	2.99
Anglo 21.70	2178	+	21.70	3.00
Anglo 21.80	2188	+	21.80	3.01
Anglo 21.90	2198	+	21.90	3.02
Anglo 22.00	2208	+	22.00	3.03
Anglo 22.10	2218	+	22.10	3.04
Anglo 22.20	2228	+	22.20	3.05
Anglo 22.30	2238	+	22.30	3.06
Anglo 22.40	2248	+	22.40	3.07
Anglo 22.50	2258	+	22.50	3.08
Anglo 22.60	2268	+	22.60	3.09
Anglo 22.70	2278	+	22.70	3.10
Anglo 22.80	2288	+	22.80	3.11
Anglo 22.90	2298	+	22.90	3.12
Anglo 23.00	2308	+	23.00	3.13
Anglo 23.10	2318	+	23.10	3.14
Anglo 23.20	2328	+	23.20	3.15
Anglo 23.30	2338	+	23.30	3.16
Anglo 23.40	2348	+	23.40	3.17

